



**Spartan Energy Corp.**

**Notice of Annual General and Special Meeting of Shareholders  
to be held on June 17, 2016**

**and**

**Management Information Circular**

**May 16, 2016**

**SPARTAN ENERGY CORP.  
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF THE HOLDERS OF COMMON SHARES  
TO BE HELD ON JUNE 17, 2016**

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of Spartan Energy Corp. (the “**Corporation**”) will be held in the McCarthy & McCarthy Boardroom of McCarthy Tétrault LLP, Suite 4000, 421 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta, on June 17, 2016 at 2:00 p.m. (Calgary time), for the following purposes:

1. to receive the financial statements for the fiscal year ended December 31, 2015 and the report of the auditors thereon;
2. to fix the number of directors to be elected at six;
3. to elect directors for the ensuing year;
4. to appoint the auditors of the Corporation to hold office until the next annual meeting of the Shareholders and authorize the directors to fix their remuneration;
5. to approve a restricted share unit plan for the Corporation (“**RSU Plan**”); and
6. to transact such other business as may properly come before the meeting or any adjournments thereof.

Only Shareholders of record at the close of business on May 6, 2016 (the “**Record Date**”) are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat, unless, after the Record Date, a holder of record transfers his or her Common Shares and the transferee, upon producing properly endorsed share certificates or otherwise establishing that he or she owns such Common Shares, requests, not later than 10 days before the Meeting, that the transferee’s name be included in the list of shareholders entitled to vote such Common Shares, in which case such transferee shall be entitled to vote such Common Shares, as the case may be, at the Meeting.

Shareholders may vote in person at the Meeting or any adjournment or adjournments thereof, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place.

**Shareholders unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to the Corporation’s agent, Alliance Trust Company, 1010, 407 - 2<sup>nd</sup> Street S.W., Calgary, Alberta T2P 2Y3, in the enclosed envelope provided for that purpose. In order to be valid, proxies must be received by 4:00 p.m. on or prior to the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting.**

A management information circular relating to the business to be conducted at the Meeting accompanies this Notice.

Calgary, Alberta  
May 16, 2016

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) “*Richard F. McHardy*”

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Richard F. McHardy  
Director, President and Chief Executive Officer

## TABLE OF CONTENTS

PURPOSE OF SOLICITATION.....	1
RECORD DATE.....	1
PROXY INFORMATION .....	1
Solicitation of Proxies.....	1
Completion of Proxies.....	2
Appointment and Revocation of Proxies .....	2
Exercise of Discretion by Proxies.....	2
Notice-and-Access.....	3
Advice to Beneficial Holders of Securities .....	4
INFORMATION CONCERNING THE CORPORATION .....	5
VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF .....	5
MATTERS TO BE ACTED UPON.....	5
FIXING NUMBER OF DIRECTORS.....	6
ELECTION OF DIRECTORS .....	6
Biographies.....	8
Corporate Cease Trade Orders or Bankruptcies .....	9
Personal Bankruptcies .....	9
Penalties and Sanctions .....	10
APPOINTMENT OF AUDITORS.....	10
APPROVAL OF RESTRICTED SHARE UNIT PLAN .....	10
Summary of the RSU Plan .....	10
RSU Plan Resolution .....	14
OTHER MATTERS COMING BEFORE THE MEETING .....	14
EXECUTIVE COMPENSATION.....	14
Summary .....	14
Compensation Discussion and Analysis.....	15
Base Salaries.....	16
Bonuses.....	16
Stock Option Plan .....	16
Description of the Stock Option Plan.....	17
Compensation Governance .....	19
Risk Oversight .....	19
Hedging and Offsetting .....	20
Performance Graph .....	20
Outstanding Option-Based and Share-Based Awards.....	21
Incentive Plan Awards - Value Vested or Earned During the Year .....	22
Pension Plan Benefits.....	22
Management Agreements, Consulting Contracts, Termination and Change of Control Payments .....	22
Summary of Directors' Compensation.....	22
Outstanding Option-Based and Share-Based Awards.....	23
Incentive Plan Awards - Value Vested or Earned During the Year .....	24
Directors' and Officers' Liability Insurance .....	24

EQUITY COMPENSATION PLAN INFORMATION.....	24
INDEBTEDNESS OF DIRECTORS AND OFFICERS.....	25
INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....	25
INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON .....	25
CORPORATE GOVERNANCE PRACTICES.....	25
Corporate Governance Committee .....	25
Independence of Members of Board .....	26
Board and Committee Meeting Attendance.....	26
Board Oversight and Chairman.....	26
Participation of Directors in Other Reporting Issuers.....	27
Board Mandate .....	27
Position Descriptions .....	28
Orientation and Continuing Education.....	28
Ethical Business Conduct .....	28
Nomination of Directors .....	29
Compensation Committee.....	29
Audit Committee .....	30
Reserves and Environment Committee.....	30
Assessments .....	31
Director Term Limits.....	31
Policies Regarding Gender Diversity.....	31
AUDIT COMMITTEE.....	31
ADDITIONAL INFORMATION .....	32
SCHEDULE "A" BOARD MANDATE .....	1
SCHEDULE "B" RSU PLAN.....	2

**SPARTAN ENERGY CORP.**  
Suite 500, 850 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0R8

**MANAGEMENT INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES  
OF SPARTAN ENERGY CORP. TO BE HELD ON JUNE 17, 2016**

Dated: May 16, 2016

**PURPOSE OF SOLICITATION**

This management information circular (the “Information Circular”) is furnished in connection with the solicitation of proxies by or on behalf of the management of Spartan Energy Corp. (the “Corporation”) for use at an annual general and special meeting of the holders (the “Shareholders”) of the common shares (the “Common Shares”) in the capital of the Corporation to be held in the McCarthy & McCarthy Boardroom of McCarthy Tétrault LLP, Suite 4000, 421 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta, on June 17, 2016 at 2:00 p.m. (Calgary time), and any adjournment or adjournments thereof (the “Meeting”) for the purposes set forth in the Notice of Annual General and Special Meeting (the “Notice of Meeting”) accompanying this Information Circular.

**RECORD DATE**

The Shareholders of record on May 6, 2016 (the “Record Date”) are entitled to notice of, and to attend and vote at, the Meeting except to the extent that:

1. such person transfers his or her Common Shares after the Record Date; and
2. the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the shareholders’ list for the Meeting.

Any registered Shareholder of the Corporation at the close of business on the Record Date who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out under the heading “Completion of Proxies”.

**PROXY INFORMATION**

***Solicitation of Proxies***

The solicitation of proxies is made on behalf of the management of the Corporation. The costs incurred in the preparation of the enclosed form of proxy (the “Form of Proxy”), Notice of Meeting and this Information Circular and costs incurred in the solicitation of proxies will be borne by the Corporation. Solicitation of proxies will be primarily by mail, but may also be in person, by telephone or by electronic means. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

### ***Completion of Proxies***

The Form of Proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of certain matters as specified in the accompanying Notice of Meeting.

The persons named in the enclosed Form of Proxy are the President and Chief Executive Officer and the Vice President, Finance and Chief Financial Officer, respectively, of the Corporation.

**A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.**

A proxy must be dated and signed by the registered Shareholder or by his attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed so as to be deposited at the office of the Corporation's agent, Alliance Trust Company, Suite 1010, 407 - 2<sup>nd</sup> Street S.W., Calgary, Alberta T2P 2Y3, not later than 4:00 p.m. (Calgary time) on the second last business day preceding the day of the Meeting or any adjournment thereof or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed by management of the Corporation.

### ***Appointment and Revocation of Proxies***

A Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or intermediary or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either with the Corporation at its offices as aforesaid at any time prior to the close of business on the second 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 prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

### ***Exercise of Discretion by Proxies***

A Shareholder or intermediary may indicate the manner in which the persons named in the enclosed Form of Proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the Form of Proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. **IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF THE MOTION.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

### ***Notice-and-Access***

The Corporation has elected to use the "notice-and-access" provisions under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to its Beneficial Shareholders (as defined below) but not in respect of mailings to its registered holders of common shares ("**Registered Shareholders**"). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

The Corporation has also elected to use procedures known as 'stratification' in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis ("**Financial Information**"), to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, Registered Shareholders will receive a paper copy of each of a notice of the Meeting, this Information Circular and a form of proxy, whereas Beneficial Shareholders will receive a notice-and-access notification and a voting instruction form. Furthermore, a paper copy of the Financial Information in respect of the most recent financial year of the Corporation will be mailed to Registered Shareholders as well as to those Beneficial Shareholders who have previously requested to receive them.

The Corporation anticipates that notice-and-access will directly benefit the Corporation through substantial reductions in postage and printing costs. The Corporation believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy-related materials.

The Corporation will be delivering proxy-related materials to non-objecting beneficial owners of its Common Shares directly with the assistance of Alliance Trust Company. Please note that the Corporation's management does not intend to pay for intermediaries to forward the notice-and-access notification and voting instruction request forms to those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about them pursuant to Canadian securities legislation ("**Objecting Beneficial Shareholders**"). Consequently, if you are an Objecting Beneficial Shareholder, you will not receive these materials unless the intermediary holding Common Shares on your account assumes the cost of delivery.

Shareholders with questions about notice-and-access can call Alliance Trust Company at 403-237-6111 or toll free at 1-877-537-6111.

In order to receive a paper copy of this Circular and other relevant information, requests by Shareholders may be made up to one year from the date the Circular was filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") by: (i) mailing a request to the Corporation at suite 500, 850 – 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 0R8 Attention: Investor Relations; (ii) calling Alliance Trust Company at 403-

237-6111 or toll free at 1-877-537-6111; (iii) by emailing a request to [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca); or (iv) online at the following websites: [www.spartanenergy.ca](http://www.spartanenergy.ca) or [www.alliancetrust.ca/shareholders/](http://www.alliancetrust.ca/shareholders/). The Corporation estimates that a Shareholder's request for paper copies of the Circular and other relevant information will need to be received prior to June 3, 2016 in order for such Shareholder to have sufficient time to receive and review the materials requested and return the completed form of proxy by the due date set out under the heading "*Completion of Proxies*" in this Circular.

### ***Advice to Beneficial Holders of Securities***

The information set forth in this section is of significant importance to many investors who do not own 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 Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate individuals.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of securityholders meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of that broker) is typically similar to the Form of Proxy provided to registered Shareholders by the Corporation. However, the purpose of the broker's form of proxy is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically asks Beneficial Shareholders to return voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting. The Broadridge voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder's broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote such Common Shares in that capacity. Beneficial Shareholders who wish to attend at 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 instrument 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.

**If you have any questions respecting the voting of Common Shares held through an intermediary, please contact that intermediary for assistance.**



## INFORMATION CONCERNING THE CORPORATION

The Corporation was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”) on December 12, 1988 as “394537 Alberta Ltd.”. The Corporation changed its name to “Petro-Reef Resources Ltd.” on February 23, 1989. On January 1, 2000, the Corporation amalgamated with twenty private Alberta numbered companies to form “Petro-Reef Resources Ltd.”. The Corporation changed its name to “Alexander Energy Ltd.” on September 9, 2012, and to “Spartan Energy Corp.” on February 28, 2014. On March 31, 2014, Spartan completed a plan of arrangement with Renegade Petroleum Ltd. (“**Renegade**”) which included the amalgamation of the Corporation and Renegade to form “Spartan Energy Corp.”.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and New Brunswick. The Common Shares are listed on the Toronto Stock Exchange (the “**TSX**”) under the trading symbol “SPE”.

## VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the date hereof, there are 305,073,266 fully paid and non-assessable Common Shares issued and outstanding and no preferred shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote.

The articles of the Corporation provide that if two persons holding not less than 15% of the issued Common Shares entitled to vote are present in person or are represented by proxy, a quorum for the purposes of conducting a shareholders meeting is constituted.

Any registered Shareholder at the close of business on May 6, 2016 who either personally attends the Meeting or who completes and delivers a proxy will be entitled to vote or have his or her Common Shares voted at the Meeting. However, a person appointed under a form of proxy will be entitled to vote the Common Shares represented by that form only if it is effectively delivered in the manner set out in the heading “*Completion of Proxies*”.

To the best of the knowledge of the directors and officers of the Corporation, as of the date of this Information Circular, there are no persons who beneficially own, directly or indirectly, or exercises control or direction over 10% or more of the issued and outstanding Common Shares other than the Fidelity group, which includes Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, FIL Limited, Crosby Advisors LLC and Fidelity SelectCo, LLC and which beneficially owns, controls or directs, directly or indirectly, approximately 33,330,380 Common Shares representing approximately 10.93% of the issued and outstanding Common Shares.

## MATTERS TO BE ACTED UPON

The Shareholders of the Corporation will be asked to consider and, if deemed appropriate:

- (a) by ordinary resolution, fix the board of directors of the Corporation (the “**Board**”) at six members;
- (b) by ordinary resolution, elect the directors of the Corporation;

- (c) by ordinary resolution, appoint auditors for the ensuing year and to authorize the directors of the Corporation to fix their remuneration; and
- (d) by ordinary resolution, approve the RSU Plan; and
- (e) to transact such other business as may properly come before the Meeting or any adjournments thereof.

Additional detail regarding each of the matters to be acted on at the Meeting is contained below.

### **FIXING NUMBER OF DIRECTORS**

At the Meeting, it is proposed that the number of directors to be elected at the Meeting to hold office until the next annual meeting or until their successors are elected or appointed, subject to the articles of the Corporation, be set at six. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at six.**

### **ELECTION OF DIRECTORS**

Action is to be taken at the Meeting with respect to the election of directors. The Shareholders will be asked to pass an ordinary resolution at the Meeting to elect, as directors, the nominees whose names are set forth in the table below. Voting for the election of nominees will be conducted on an individual, and not on a slate, basis. Each nominee elected will hold office until the next annual meeting of the Shareholders, or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles. The Corporation is required by applicable corporate legislation to have an Audit Committee comprised of members of the Board that are considered "financially literate" and a majority of which are considered "independent", as such terms are defined in National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). The Corporation has also established a Compensation Committee, Corporate Governance Committee, and a Reserves and Environment Committee, each comprised of members of the Board. Please see discussion under "*Corporate Governance Practices*." The present members of the Audit Committee, Compensation Committee, Corporate Governance Committee and Reserves and Environment Committee of the Board are identified in the table below.

The Corporation has adopted a majority voting policy with respect to the election of directors. Pursuant to this policy, if a director receives more withheld votes than for votes, he will immediately tender to the Board an offer to resign. The Corporate Governance Committee will consider the director's offer to resign and make a recommendation to the Board to: (i) accept the resignation; (ii) ask the director to continue serving but address the issue; or (iii) reject the resignation. The director will not participate in any Board or Board committee deliberations on the matter. If the Board accepts the director's resignation, it can appoint a new director to fill the vacancy. The Board must promptly disclose its final decision regarding the directors offer to resign in a press release.

The following information relating to the nominees as directors is based partly on the records of the Corporation and partly on information received by the Corporation from said nominees, and sets forth the name and municipality of residence of the persons proposed to be nominated for election as directors, all other positions and offices within the Corporation now held by them, their principal occupations or employments, the periods during which they have served as directors of the Corporation and the approximate number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date of this Information Circular.

<u>Name</u>	<u>Positions Presently Held</u>	<u>Director Since<sup>(5)</sup></u>	<u>Principal Occupation for Previous Five Years</u>	<u>Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised</u>
Richard F. McHardy <i>Calgary, Alberta</i>	Director, President and Chief Executive Officer	December 10, 2013	President and Chief Executive Officer of Spartan Oil Corp. from March 2011 to January 2013. Prior to that, President and Chief Executive Officer of Spartan Exploration Ltd., a public oil and gas exploration company, from January 2008 to June 2011.	6,997,703 (2.29%)
Reginald J. Greenslade <sup>(2)(3)(4)</sup> <i>Calgary, Alberta</i>	Director	December 10, 2013	Director of Spartan Oil Corp. from June 2011 to January 2013 and President, Chief Executive Officer and director of Tuscany International Drilling Inc., an oilfield services company, from April 2010 to February 2013.	1,753,766 (0.57%)
Grant W. Greenslade <sup>(2)(3)</sup> <i>Shaunavon, Saskatchewan</i>	Director	December 10, 2013	Director of Spartan Oil Corp. from June 2011 to January 2013. Independent Businessman. President of Greenslade Consulting Ltd., a private oil and gas consulting company.	1,753,764 (0.57%)
Michael J. Stark <sup>(1)(2)(4)</sup> <i>Calgary, Alberta</i>	Director	December 10, 2013	Chairman of Spartan Oil Corp. from June 2011 to January 2013. Independent Businessman since 2006. Prior to that, Chairman of Spartan Exploration Ltd. from January 2008 to June 2011.	1,753,766 (0.57%)
Donald Archibald <sup>(1)(3)(4)</sup> <i>Calgary, Alberta</i>	Director	December 10, 2013	Director of Spartan Oil Corp. from June 2011 to January 2013. President of Cypress Energy Corp., a private investment company, since March 2008.	2,489,060 (0.82%)

Name	Positions Presently Held	Director Since <sup>(5)</sup>	Principal Occupation for Previous Five Years	Number and Percentage of Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly, is Exercised
Thomas Budd <sup>(1)(2)</sup> <i>Calgary, Alberta</i>	Director	March 31, 2014	Independent businessman since July 2008. Director of Whitehall Energy Inc., Waldron Energy Corporation and Toscana Energy Income Corporation. Prior to that, President and Vice Chairman, Head of Investment Banking at Griffiths McBurney & Partners, GMP Capital Corp.	Nil (0.00%)

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Reserves and Environment Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) All directors of the Corporation are elected to hold office until the next annual meeting of shareholders, or until his successor is duly elected or appointed, unless his office is vacated earlier in accordance with the Corporation's articles.

**Biographies**

**Richard F. McHardy** has over 20 years' experience in all aspects of securities and M&A transactions and the oil and gas industry. Prior to joining the Corporation, Mr. McHardy was most recently a founder and the President and CEO of Spartan Oil Corp. before its sale to Bonterra Energy Corp. in January 2013. Prior thereto, Mr. McHardy was a founder and the President and CEO of Spartan Exploration Ltd. before being acquired by Penn West Petroleum Ltd. in June 2011. Prior thereto, Mr. McHardy was a founder and President of Titan Exploration Ltd. ("**Titan**"), which began as a blind pool in mid-2004 and grew to over 2,000 Boe/d in 2007 when it was acquired by Canetic Energy Trust. Prior to founding Titan, Mr. McHardy was a partner in the Calgary office of the law firm of McCarthy Tétrault LLP.

**Reginald J. Greenslade** is an independent businessman and professional engineer with over 25 years of experience in the oil and gas industry. Mr. Greenslade was the President and Chief Executive Officer of Tuscany International Drilling Inc. from April 2010 to February 2013. Mr. Greenslade is the former Chairman, President and CEO of Big Horn Resources Ltd., Enterra Energy Corp. and Enterra Energy Trust from April 1995 to March 2006.

**Grant W. Greenslade** is an independent businessman with over 20 years of experience in the oil and gas industry. Mr. Greenslade continues to be the President of Greenslade Consulting Ltd., an oil and gas consulting business in Saskatchewan.

**Michael J. Stark** is an independent businessman and was previously a certified financial planner. Mr. Stark was the Chairman of the board of directors of Spartan Oil Corp. from March 2011 to January 2013, and the Chairman of the board of directors of Spartan Exploration Ltd. from January 2008 to June 2011. Mr. Stark

was the Chairman of the board of directors of Titan Exploration Ltd. from August 2004 until December 2007.

**Donald Archibald** has over 17 years' experience in the oil and gas industry. From March 2008 to present, Mr. Archibald has been an independent businessman, currently the President of Cypress Energy Corp., a private investment company. Mr. Archibald is also currently the Chairman of the Board of Directors of Cequence Energy Ltd., a public oil and gas company listed on the TSX. Prior thereto, from June 2004 to March 2008, Mr. Archibald was the Chairman of the Board of Directors and the Chief Executive Officer of Cyries Energy Inc. Prior thereto, from January 2002 to June 2004, Mr. Archibald was the President and Chief Executive Officer of Cequel Energy Ltd.

**Thomas Budd** is a Certified Management Accountant (non-active) with the Society of Management Accountants of Alberta and holds a Masters of Business Administration from the University of Toronto. Mr. Budd is an independent investor and has many years of experience providing mergers and acquisitions and financial advice on a significant number of Canada's oil and gas transactions.

### ***Corporate Cease Trade Orders or Bankruptcies***

Except as set forth below, none of the above proposed directors are, or have been, within 10 years prior to the date of this Information Circular, a director or chief executive officer or chief financial officer of any other company that, while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period, of more than 30 consecutive days.

None of the above proposed directors are, or have been, within 10 years prior to the date of this Information Circular, a director or chief executive officer or chief financial officer of any other company that, after ceasing to be a director, chief executive officer or chief financial officer of any other company, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation for a period, of more than 30 consecutive days, resulting from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

None of the above proposed directors are, or have been, within 10 years prior to the date of this Information Circular, a director or executive officer of any company that, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Reginald Greenslade was a director of JMG Exploration, Inc. ("JMG"). On June 4, 2008, the Alberta Securities Commission issued a cease trade order in respect of JMG for failure to file audited annual financial statements for the year ended December 31, 2007 and interim financial statements for the period ended March 31, 2008. JMG filed audited annual financial statements for the years ended December 31, 2007 and December 31, 2008 on July 27, 2009. Mr. Greenslade resigned from the board of JMG in November 2009.

### ***Personal Bankruptcies***

None of the above proposed directors have, within 10 years prior to the date of this Information Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

### ***Penalties and Sanctions***

None of the above proposed directors, within 10 years prior to the date of this Information Circular, have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or have been subject to 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 them.

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the election to the Board of those persons designated above as nominees for election as directors. The Board does not contemplate that any of such nominees will be unable to serve as a director. However, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting on the election of directors.**

### **APPOINTMENT OF AUDITORS**

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint PricewaterhouseCoopers LLP as auditors of the Corporation, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. PricewaterhouseCoopers LLP was first appointed as the Corporation's auditors on March 19, 2014.

**In the absence of contrary instructions, the persons named in the accompanying Form of Proxy intend to vote the Common Shares represented thereby in favour of the appointment of PricewaterhouseCoopers LLP as auditors of the Corporation.**

### **APPROVAL OF RESTRICTED SHARE UNIT PLAN**

The Shareholders will be asked to pass an ordinary resolution at the Meeting to approve the RSU Plan. The RSU Plan will supplement the Corporation's existing stock option plan (the "**Stock Option Plan**"), and is intended to give the Corporation's Board of Directors additional flexibility in attracting and retaining key personnel. The Corporation believes that the RSU Plan will provide incentive compensation that more closely aligns the economic interests of holders with those of Shareholders while providing an effective retention mechanism that is less volatile in value. A copy of the RSU Plan is attached as Schedule "B".

The RSU Plan which Shareholders are being asked to vote on will, if approved and following its effective date, allow the Corporation to grant medium-term equity based awards to eligible participants. The RSU Plan allows for Restricted Share Units (referred to as "**RSUs**") to be issued to eligible Canadian or U.S. based participants.

Under the policies of the Toronto Stock Exchange, the RSU Plan must be approved by the Corporation's Shareholders to be effective. Accordingly, at the Meeting, Shareholders will be asked to adopt the RSU Plan resolution in substantially the form set out below (the "**RSU Plan Resolution**").

### ***Summary of the RSU Plan***

The following is a summary of important provisions of the RSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU Plan. Readers are advised to review the full text of the RSU

Plan to fully understand all terms and conditions of the RSU Plan. A copy of the RSU Plan is attached hereto as Schedule "B".

*Purpose.* The purposes of the RSU Plan is to provide directors, officers, employees and consultants of the Corporation with the opportunity to acquire RSUs to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Corporation's shareholders.

*Eligible Participants.* RSUs may only be granted to employees, officers, Directors or consultants of the Corporation ("**Participants**").

*Number of Securities Issued or Issuable.* In summary, the maximum number of Common Shares which may be:

- a) issuable under the RSU Plan shall not exceed 5% of the total number of Common Shares issued and outstanding from time to time;
- b) issuable under all security based compensation arrangements of the Corporation (including the Stock Option Plan and the RSU Plan) shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time;
- c) issued to insiders of the Corporation, within any one year period, under the RSU Plan and all other security based compensation arrangements of the Corporation (including the Stock Option Plan), shall be 10% of the total number of Common Shares issued and outstanding from time to time;
- d) issued to any one insider of the Corporation, within any one year period, under the RSU Plan and all other security based compensation arrangements of the Corporation (including the Stock Option Plan), shall be 5% of the total number of Common Shares issued and outstanding from time to time;
- e) issued to a consultant of the Corporation, within any one year period, under the RSU Plan and all other security based compensation arrangements of the Corporation (including the Stock Option Plan), shall be 2% of the total number of Common Shares issued and outstanding from time to time; and
- f) issued to employees of the Corporation who are engaged in investor relations activities, within any one year period, under the RSU Plan and all other security based compensation arrangements of the Corporation (including the Stock Option Plan), shall be 2% of the total number of Common Shares issued and outstanding from time to time.

*RSUs.* The Compensation Committee shall determine the number of RSUs to be awarded to a grantee pursuant to the RSU Plan.

*Vesting of RSUs.* RSUs shall vest on such terms as specified by the Board or the Compensation Committee, provided that if no alternative vesting terms are specified, RSUs shall vest:

- (a) as to one third of the RSUs on the first anniversary of the grant date;
- (b) as to one third of the RSUs on the second anniversary of the grant date; and
- (c) as to the remaining third of the RSUs on the third anniversary of the grant date,

provided, however, that if a Change of Control (as defined in the RSU Plan) occurs prior to any of the vesting dates above, all unvested RSUs shall become automatically vested and Common Shares issuable in respect of all outstanding RSUs shall be, and shall be deemed to be, issued to Participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with the RSU Plan.

*Distribution Date.* A Participant who is not a U.S. taxpayer shall have the right to elect to exercise any vested RSUs recorded in the Participant's account by delivering to the Corporation a written notice (an "**Exercise Notice**") specifying a date for distribution of Common Shares in settlement of such RSUs (a "**Distribution Date**"), such date to be as soon as practical after delivery of the Exercise Notice; provided that such date shall not be later than the earlier of:

- (a) the thirtieth day after the Participant ceases to be eligible to participate under the RSU Plan;  
or
- (b) the fifth anniversary of the grant date,  
  
(the "**Final Date**").

In the event a Participant fails to deliver a timely Exercise Notice or specifies a Distribution Date in an Exercise Notice which is later than the Final Date, the Distribution Date shall be deemed to be the Final Date.

If the Distribution Date of any RSU occurs during or within 10 business days following the end of a Black-Out Period (as defined below), the Distribution Date of such RSU shall be extended for a period of 10 business days following the end of the Black-Out Period (or such longer period as permitted by the TSX or other exchange on which the Shares are listed and approved by the Board). "**Black-Out Period**" means the period of time when, pursuant to any policies of the Company, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an RSU.

*Termination of RSUs.* If any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Corporation for any reason other than death or disability, then all RSUs granted to the Participant under the Plan that have not yet vested as of the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries as the case may be, (the "**Termination Date**") shall terminate without payment and shall be of no further force or effect. Such Participant may elect to exercise any RSUs that are vested as of the Termination Date in accordance with RSU Plan.

If any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Corporation by reason of disability, all unvested RSUs shall immediately vest, and all RSUs held by such Participant under the Plan shall be automatically settled and the Distribution Date shall be the ninetieth day after such date.

Upon the death of a Participant, all unvested RSUs shall immediately vest, and all RSUs held by such Participant under the Plan shall be automatically settled and the Distribution Date shall be the ninetieth day after the death of the Participant.

*Adjustment for Dividends.* In the event that the Corporation pays a normal cash dividend on the Common Shares, a Participant's account shall be credited with dividend equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Such dividend equivalents shall be computed by dividing: (a) the amount



obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of RSUs recorded in the Participant's account on the record date for the payment of such dividend, by (b) the volume weighted average trading price of the Common Shares on the TSX for the five (5) trading days immediately following the dividend record date for the payment of any dividend made on the Common Shares.

*Withholding Tax.* As a condition to the issue of Common Shares in payment of any RSUs, the Corporation may require that the Participant: (1) pay to the Corporation such amount as the Corporation is required to remit to the relevant taxing authority in respect of the issuance of the Common Shares in payment of the RSUs (the "**Applicable Withholding Amount**"); (2) withhold the Applicable Withholding Amount from any remuneration or other amount otherwise payable by the Corporation to the Participant; (3) require a sale of a number of Common Shares issued upon payment of the RSUs and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy the Applicable Withholding Amount; or (4) enter into any other arrangements suitable to the Corporation to enable the Corporation to satisfy the Applicable Withholding Amount, including any combination of the foregoing.

*Non-Transferability.* RSUs are non-transferable except to (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the Participant, (ii) a holding entity of the Participant, (iii) a spouse of the Participant, (iv) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the spouse of the Participant, or (v) a holding entity of the spouse of the Participant.

*Procedure for Amending.* The Board may amend, suspend or terminate the RSU Plan or any RSUs granted thereunder at any time, provided that no such amendment, suspension or termination may:

- (a) be made without obtaining any required regulatory or shareholder approvals, including, where required, approval of the TSX; or
- (b) alter or impair any rights or increase any obligations with respect to an RSU previously granted under the RSU Plan without the consent of the Participant.

Approval of the Shareholders will be required for the following amendments to the RSU Plan or any RSUs:

- (i) amendments to the RSU Plan which would increase the number of securities issuable under the RSU Plan otherwise than in accordance with the terms of the RSU Plan;
- (ii) amendments to the RSU Plan which would increase the number of securities issuable to insiders otherwise than in accordance with the terms of the RSU Plan;
- (iii) amendments that would extend the Distribution Date of any RSUs held by insiders beyond the original Final Date of the RSUs;
- (iv) the addition of any form of financial assistance to a Participant; and
- (v) any amendment to the amendment provisions of the RSU Plan.

*Other Material Information.* Appropriate adjustments to the RSU Plan and to RSUs granted thereunder will be made to give effect to adjustments in the number and type of Common Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or

reclassifications of Common Shares, payment of dividends (including stock dividends) or other changes in the Corporation's capital.

### ***RSU Plan Resolution***

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, pass the following ordinary resolution approving the RSU Plan:

**“BE IT RESOLVED THAT:**

(1) subject to the approval of the Toronto Stock Exchange and all other applicable regulatory authorities, the Restricted Share Unit Plan as described in and attached to the management information circular of the Corporation dated May 16, 2016 be and is hereby approved until June 17, 2019, being the date that is three years from the date of the shareholder approval provided hereby;

(2) notwithstanding that this resolution has been passed by the Corporation's Shareholders, the Board of Directors may revoke such resolution at any time before it has been effected without further action by the Corporation's Shareholders; and

(3) any director or officer of the Corporation is hereby authorized to do such things and to sign, execute and deliver all documents that such director or officer may, in their discretion determine to be necessary in order to give full effect to the intent and purpose of this resolution.”

**Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of adopting the RSU Plan.**

### **OTHER MATTERS COMING BEFORE THE MEETING**

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgement of the person voting such proxy.

### **EXECUTIVE COMPENSATION**

#### ***Summary***

Securities legislation requires the disclosure of the compensation received by each “Named Executive Officer” (“**Named Executive Officer**”) of the Corporation for the most recently completed financial year. “Named Executive Officer” is defined by securities legislation to mean: (i) a Chief Executive Officer of the Corporation; (ii) a Chief Financial Officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

For the fiscal year ended December 31, 2015, the Corporation had five Named Executive Officers. The following table and notes thereto provide a summary of the compensation paid to each Named Executive Officer of the Corporation for fiscal year ended December 31, 2015.

Name and Principal Positions	Year	Salary (\$)	Share-based Awards (\$) <sup>(1)</sup>	Option-based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation <sup>(1)</sup>			All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans	Pension Value (\$)		
Richard F. McHardy, President and Chief Executive Officer <sup>(3)</sup>	2015	165,000	-	102,333	128,500	-	-	16,500	412,333
	2014	149,375 <sup>(9)</sup>	-	-	90,750	-	-	11,000 <sup>(10)</sup>	251,525
	2013	-	-	377,500	-	-	-	-	377,500
Adam MacDonald, Chief Financial Officer <sup>(4)</sup>	2015	150,000	-	82,276	60,000	-	-	15,000	307,276
	2014	112,500	-	542,000	45,041	-	-	7,500 <sup>(10)</sup>	707,041
Fotis Kalantzis, Senior Vice President Exploration <sup>(5)</sup>	2015	150,000	-	102,333	116,500	-	-	15,000	383,833
	2014	136,250 <sup>(9)</sup>	-	-	75,000	-	-	10,000 <sup>(10)</sup>	221,250
	2013	-	-	377,500	-	-	-	-	377,500
Al Stark, Senior Vice President Operations <sup>(6)</sup>	2015	150,000	-	102,333	116,500	-	-	15,000	383,833
	2014	136,250 <sup>(9)</sup>	-	-	75,000	-	-	10,000 <sup>(10)</sup>	221,250
	2013	-	-	377,500	-	-	-	-	377,500
Eddie Wong, Senior Vice President Engineering <sup>(7)</sup>	2015	150,000	-	102,333	116,500	-	-	15,000	383,833
	2014	136,250 <sup>(9)</sup>	-	-	75,000	-	-	10,000 <sup>(10)</sup>	221,250
	2013	-	-	377,500	-	-	-	-	377,500

**Notes:**

- (1) The Corporation currently has no share-based or non-equity incentive plans, nor did the Corporation have such incentive plans during the year ended December 31, 2015.
- (2) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2015.
- (3) Annual Incentive Plan compensation reflects discretionary bonus paid to the NEOs in respect of corporate and individual performance during the year. Discretionary bonuses are disclosed for the year in respect of which they are earned although they are typically paid in the following year. Amounts for 2015 set forth bonus amounts that have been declared for the NEOs for the year ended December 31, 2015. In light of depressed commodity prices impacting cash flows, the board of directors determined that it is in the best interests of the Corporation to pay 2015 bonus amounts through the issuance of RSUs. In the event the RSU plan is approved by the Shareholders at the Meeting, a number of RSUs having a value equal to the bonus amount will be issued on June 17, 2016 and such RSUs will be immediately vested and exercisable. In the event the RSU plan is not approved by the Shareholders at the Meeting, the bonus amounts will be paid in cash.
- (4) Mr. McHardy was appointed President and Chief Executive Officer on December 10, 2013. None of the compensation paid to Mr. McHardy was compensation for his role as a director of the Corporation.
- (5) Mr. MacDonald was appointed Interim Chief Financial Officer on August 14, 2014. The total compensation paid to Mr. MacDonald in 2014 includes compensation paid for his role as controller of the Corporation beginning on March 31, 2014.
- (6) Mr. Kalantzis was appointed Vice President Exploration on December 10, 2013.
- (7) Mr. Stark was appointed Vice President Operations on December 10, 2013.
- (8) Mr. Wong was appointed Vice President Engineering on December 10, 2013.
- (9) No salary was paid in respect of the period from December 10, 2013 to December 31, 2013.
- (10) Spartan has an employee share ownership plan (“ESOP”) pursuant to which all permanent full-time and part-time employees may contribute up to 10% of their gross annual salary to the ESOP, with Spartan matching the contribution on a 100% basis. Through an appointed independent firm, the Corporation uses the contributions to acquire Common Shares on behalf of the employees through open market purchases at the current market price on the TSX. The executives are eligible to participate in the ESOP on the same basis as all other employees.

**Compensation Discussion and Analysis**

The Board has established a Compensation Committee, which determines the compensation payable to the executives and directors of the Corporation and, in doing so, ensures that the total compensation payable is fair and reasonable and is consistent with the Corporation’s compensation philosophy.

The objective of the Corporation's compensation program is to attract, motivate, reward and retain highly talented and experienced executive officers. The compensation program is structured to ensure that compensation is competitive with other similarly situated companies and is reflective of the experience, performance, and contribution of the individuals involved and the overall performance of the Corporation. The Corporation's compensation philosophy is designed to align the interests of executive officers with shareholders' interests and with the execution of the Corporation's business strategy.

The Compensation Committee provides recommendations to the Board with respect to the compensation of executive officers of the Corporation, such compensation to include a base salary, the payment of cash bonuses, if applicable, and participation in the Corporation's stock option plan (the "**Stock Option Plan**"). If approved at the Meeting, executive officers will also be eligible to participate in the RSU Plan. In addition, executive officers are entitled to broad-based benefit programs. The Compensation Committee believes that the combination of fixed and variable compensation elements will motivate executives to achieve corporate goals and enhance Shareholder value.

### ***Base Salaries***

The Compensation Committee recognizes that the size of the Corporation prohibits base salary compensation for officers from matching those of larger companies in the petroleum and natural gas industry. The Compensation Committee does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's officers, and that long-term equity interests, in the form of options, compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

Base salaries for officers, including the Chief Executive Officer, are established by the Compensation Committee at levels comparable to base salaries paid by the Corporation's industry peer group. In assessing comparability, the Corporation relies upon a review of base salary amounts as disclosed by industry peers in their public disclosure documents. The peer group for benchmarking considered by the Compensation Committee consists of other Canadian oil and gas exploration and development companies with similar size, financial capacity and business complexity, including Bonterra Energy Corp., Boulder Energy Ltd., Cardinal Energy Ltd., Cequence Energy Ltd., Delphi Energy Corporation, Journey Energy Inc., Raging River Exploration Ltd., Rock Energy Ltd., RMP Energy Inc., Tamarack Valley Energy Ltd., TORC Oil & Gas Ltd. and Zargon Oil and Gas Inc. 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. Salaries of officers, including that of the Chief Executive Officer, are reviewed annually.

### ***Bonuses***

The Corporation does not have a formalized bonus plan for its executive officers and employees, however, the Corporation's executive officers and employees may receive a bonus as and when declared by the Board, after review and recommendation by the Compensation Committee. The determination of the payment and amount of bonus entitlements, if applicable, is expected to be based upon a number of factors, including growth in reserves, production and cash flow per debt adjusted share and the overall financial performance of the Corporation for the applicable period. Bonuses are expected to be reviewed annually by the Compensation Committee and the Board.

### ***Stock Option Plan***

Pursuant to the policies of the TSX, the Corporation is permitted to maintain a "rolling 10%" stock option plan. On February 18, 2014, the Shareholders approved the Stock Option Plan, pursuant to which options

to purchase Common Shares may be granted. In accordance with the policies of the TSX, unallocated options under rolling option plans must receive shareholder approval three years from the date of listing on the TSX and subsequently every three years after that. On July 9, 2014, the Common Shares were listed on the TSX (prior thereto the Common Shares were listed on the TSX Venture Exchange) and, as such, the Corporation will not be able to grant options under the Stock Option Plan after July 9, 2017 unless it has received Shareholder approval for the issuance of unallocated options. As of the date of this Information Circular, the Corporation has 11,978,334 options granted under the Stock Option Plan, representing 3.97% of the issued and outstanding Common Shares.

The TSX requires all listed companies with security based compensation arrangements to disclose the terms of such arrangements on an annual basis.

### ***Description of the Stock Option Plan***

The purposes of the Stock Option Plan are: (i) to provide directors, officers, employees and consultants of the Corporation an incentive to achieve the longer-term objectives of the Corporation; (ii) to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) to attract and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

#### *Eligibility*

The Stock Option Plan provides for the granting of stock options to purchase Common Shares to directors, officers, employees and consultants of the Corporation.

#### *Administration*

The Stock Option Plan is administered by the Board and the Board may, subject to applicable law, delegate its powers to administer the Stock Option Plan to a committee of the Board. Options may be granted at the discretion of the Board, in such number that may be determined at the time of grant, subject to the limits set out in the Stock Option Plan.

#### *Exercise Price*

The exercise price of stock options granted under the Stock Option Plan will be fixed by the Board at the time of grant, provided that the exercise price shall be not less than the volume weighted average trading price of the Common Shares for the five trading days ending immediately prior to the time of grant. The exercise price is intended to be the fair market value of the Common Shares at the date of grant and, subject to the approval of the Board, the TSX and the shareholders of the Corporation (where required), the exercise price may be adjusted if necessary to achieve that result.

#### *Maximum Percentage of Common Shares Reserved*

The aggregate number of Common Shares that may be issued pursuant to the exercise of options awarded under the Stock Option Plan and all other share compensation arrangements of the Corporation is 10% of the Common Shares outstanding from time to time, subject to the following limitations:

1. the aggregate number of Common Shares issued to insiders (as defined in the Stock Option Plan) under the Stock Option Plan, together with all other share compensation arrangements of the Corporation, within a 12-month period, must not exceed 10% of the outstanding issue of Common Shares (on a non-diluted basis); and

2. the aggregate number of Common Shares issuable to insiders (as defined in the Stock Option Plan) under the Stock Option Plan, together with all other share compensation arrangements of the Corporation, must not exceed 10% of the outstanding issue of Common Shares.

#### *Transferability*

The stock options are not assignable or transferable by an optionee, except for a limited right of assignment in the event of the death of the optionee.

#### *Term and Vesting*

The term of the options granted shall be determined by the Board in its discretion, to a maximum of five years from the date of the grant of the option. The vesting period or periods within this period during which an option or a portion thereof may be exercised shall be determined by the Board. In the absence of any determination by the Board as to vesting, and subject to the policies of the TSX, vesting shall be as to one-third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in its sole discretion at any time or in the agreement in respect of any stock options granted, accelerate, or provide for the acceleration of, vesting of stock options previously granted.

#### *Early Expiration*

Unless otherwise provided in an agreement evidencing the grant of stock options, options shall terminate at the earlier of: (i) the close of business 30 days after the optionee ceasing (other than by reason of death but including termination with or without cause) to be at least one of an officer, director, employee (in active employment carrying out regular and normal duties) or consultant of the Corporation or a Subsidiary (as defined in the Stock Option Plan) of the Corporation, as the case may be; (ii) the close of 30 business days after the optionee has been provided with written notice of dismissal related to (i) above; and (iii) the expiry date of the stock option. If before the expiry of an option in accordance with the terms thereof a participant ceases to be an employee, officer, director or consultant by reason of the death of the participant, any unvested portion of such stock option shall immediately vest. In addition, such option may, subject to the terms thereof and any other terms of the Stock Option Plan, be exercised by the legal personal representative(s) of the participant's estate at any time before 4:00 p.m. (Calgary time) up to six months after the date of death of the participant, or until the expiry date of the option, if earlier.

#### *Change of Control*

In the event of a Change of Control (as defined in the Stock Option Plan) occurring, all stock options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the stock options for a period of time ending on the earlier of the expiry time of the stock option or the 30<sup>th</sup> day following the Change of Control.

#### *Voluntary Black-Out Periods*

The Corporation has adopted a policy on trading in the securities of the Corporation which results in the imposition of self-imposed black-out periods from time to time, preventing officers, directors, employees and consultants from exercising options. For example, these black-out periods would be imposed prior to the release of financial statements and when the Corporation is considering various possible transactions or is completing material operations that could, if consummated or successfully completed, have a significant effect on the trading price or value of the Corporation's securities. This policy will be adopted as part of Corporation's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize the Corporation, and its insiders and employees where their stock options have not

been exercised prior to the voluntary black-out period and such stock options would expire during such period.

Pursuant to the Stock Option Plan, the expiration of the term of any stock options that would fall during any black-out period or within 10 business days following the termination of any black-out period will be extended for a period of 10 business days following the expiry of such black-out period, such that all optionees will always have a maximum of 10 business days following a voluntary black-out period to exercise stock options. This provision applies to all optionees.

#### *Amendments to Options*

The Board may amend or discontinue the Stock Option Plan at any time without the approval of shareholders of the Corporation, provided that such amendment shall not alter or impair any stock option previously granted under the Stock Option Plan, except as permitted by the provisions of the Stock Option Plan, and provided that such amendment or discontinuance has been approved, if required, by the TSX.

#### **Compensation Governance**

Further information on the composition and function and mandate of the Compensation Committee is set out under the heading “*Corporate Governance Practices – Compensation Committee.*”

#### **Risk Oversight**

In carrying out its mandate, the Compensation Committee reviews from time to time the risk implications of the Corporation’s compensation policies and practices, including those applicable to the Corporation’s executives. This review of the risk implications ensures that compensation plans, in their design, structures and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance incentives with equity-based awards that vest over time;
- ensuring overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation’s revenues, after giving consideration to the development stage of the Corporation; and
- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer term risks and objectives.

For the reasons set forth below, the Compensation Committee believes that the Corporation’s current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation’s overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks.

While a significant feature of the Corporation’s current executive compensation practice is the awarding of stock options under the Stock Option Plan, and while such compensation is “at risk” (i.e. not guaranteed), the Corporation’s long-term incentive plans are designed such that stock options vest over a three year period and therefore encourage sustainable Common Share price appreciation and reduce the risk of

actions which may have short-term advantages. Additionally, the granting of options is in accordance with the terms and provisions of the Stock Option Plan.

The base salaries set for the Corporation's executives are intended to provide a steady income regardless of Common Share price performance, allowing executives to focus on both near-term and long-term goals and objectives without undue reliance on short term Common Share price performance or market fluctuations.

Compensation payable in the form of bonuses is overseen by the Compensation Committee and the Board. The Board does not consider the applicable periods set for bonus purposes to be heavily weighed to the short-term and believes it has struck an appropriate balance between short-term performance incentives and long-term awards that vest over time.

### ***Hedging and Offsetting***

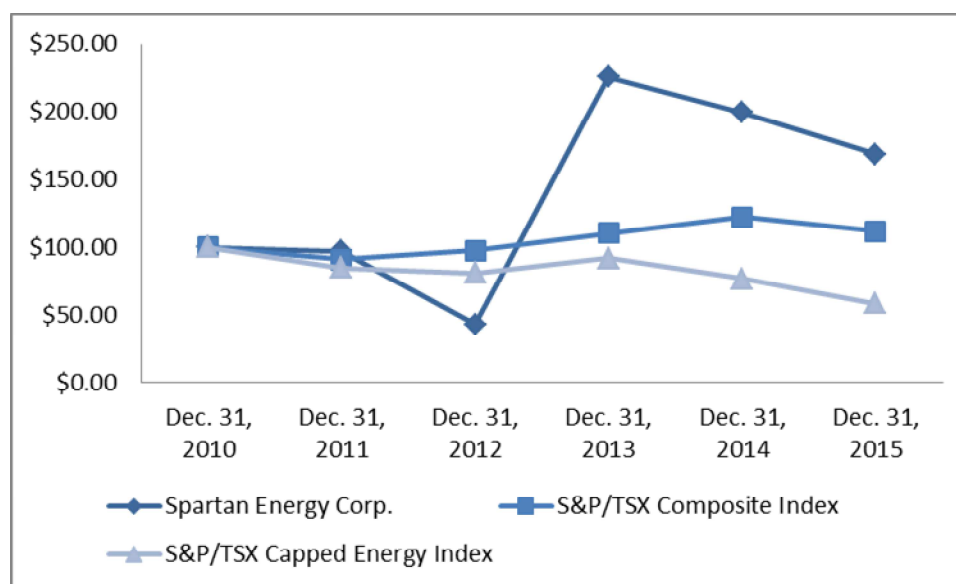
At present, the Corporation does not have a formal policy prohibiting its directors and officers from engaging in short sales of securities of the Corporation or buying or selling puts, calls or other derivatives that are designed to hedge or offset a decrease in the market value of securities of the Corporation.

Currently, in the absence of such a policy, the directors and officers of the Corporation are expected to act at all times transparently, with integrity and with a view to the best interests of the Corporation and the Shareholders in their securities trading activities.

It should be noted that any transactions of this nature are subject to insider reporting requirements and are reported on the System for Electronic Disclosure by Insiders (SEDI).

### ***Performance Graph***

The following graph illustrates our cumulative shareholder return, as measured by the closing price of the Common Shares at the end of the five most recently completed financial years, assuming an initial investment of \$100 on December 31, 2010 compared to the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index.





	Dec. 31, 2010	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Spartan Energy Corp.	\$100.00	\$97.14	\$42.86	\$225.71	\$199.29	\$168.57
S&P/TSX Composite Index	\$100.00	\$91.29	\$97.85	\$110.56	\$122.23	\$112.06
S&P/TSX Capped Energy Index	\$100.00	\$85.15	\$81.04	\$91.84	\$76.83	\$58.29

As the new management team and new Board of the Corporation was appointed on December 10, 2013, the trend shown in the above graph does not provide a meaningful comparison to the trend in executive compensation. The total compensation of Named Executive Officers for the year ended December 31, 2015 was based on various factors, including but not limited to, the price of the Common Shares and certain other factors discussed under "*Compensation Discussion and Analysis*" above.

The total compensation for the executive officers is affected by increases and decreases in the price of Common Shares as the value of options increase or decrease as Common Share prices increase or decrease. Options and bonuses (to the extent that such payments are based on meeting corporate performance expectations) represent "at risk" compensation which help align the total return on the Common Shares and the compensation received by our executive officers. Total executive compensation does not always directly correlate with increases and decreases in the total return on the Common Shares due to impacts on share value that are beyond the Corporation's control, such as the commodity price environment, as well as the need of the Corporation to continue to provide competitive salaries and increases in salary levels relative to the market.

### ***Outstanding Option-Based and Share-Based Awards***

The following table sets forth all option-based awards outstanding at the end of the most recent fiscal year ended December 31, 2015, for the Named Executive Officers of the Corporation. The Corporation did not have any outstanding share-based awards at the end of the most recent fiscal year ended December 31, 2015.

Name	Number of Securities Underlying Unexercised Options (#)	Option-Based Awards		Value of Unexercised in-the-Money Options (\$) <sup>(1)</sup>
		Option Exercise Price (\$)	Option Expiration Date	
Richard F. McHardy, President and Chief Executive Officer	250,000	2.40	December 10, 2018	-
	83,000	2.69	March 20, 2020	-
Adam MacDonald, Chief Financial Officer	200,000	3.21	April 1, 2019	-
	67,000	2.69	March 20, 2020	-
Fotis Kalantzis, Senior Vice President Exploration	250,000	2.40	December 10, 2018	-
	83,000	2.69	March 20, 2020	-
Al Stark, Senior Vice President Operations	250,000	2.40	December 10, 2018	-
	83,000	2.69	March 20, 2020	-
Eddie Wong, Senior Vice President Engineering	250,000	2.40	December 10, 2018	-
	83,000	2.69	March 20, 2020	-

**Notes:**

- (1) Calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2015, being \$2.36.

***Incentive Plan Awards - Value Vested or Earned During the Year***

The following table sets forth information in respect of the value vested or earned during the Corporation's most recent fiscal year ended December 31, 2015, in respect of option-based awards for the Named Executive Officers of the Corporation. The Corporation did not have any share-based awards outstanding at any point during the fiscal year ended December 31, 2015:

Name	Option-Based Awards - Value Vested During the Year <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Richard F. McHardy, President and Chief Executive Officer	-	-
Adam MacDonald, Chief Financial Officer	-	-
Fotis Kalantzis, Senior Vice President Exploration	-	-
Al Stark, Senior Vice President Operations	-	-
Eddie Wong, Senior Vice President Engineering	-	-

**Notes:**

- (1) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date based on the difference between the closing market price of the Common Shares on the date immediately preceding the vesting date and the exercise price of the options held.

***Pension Plan Benefits***

The Corporation does not have a pension plan or provide any benefits following or in connection with retirement. In addition, the Corporation does not have a deferred compensation plan.

***Management Agreements, Consulting Contracts, Termination and Change of Control Payments***

There are currently no employment contracts or other compensation plans or arrangements with regard to any of the Named Executive Officers which provide for specific compensation in the event of resignation, retirement, other termination of employment or from a change of control of the Corporation or from a change in an officer's responsibilities following a change of control.

***Summary of Directors' Compensation***

The Corporation's directors do not have service contracts with respect to their roles as directors and are not provided with cash remuneration for their service to the Corporation as directors. All directors are reimbursed for reasonable expenses incurred by them in their capacity as directors, including travel and other out of pocket expenses incurred in connection with meetings of the Board or any committee of the Board. In addition, the directors are entitled to participate in the Stock Option Plan. See discussion under "*Executive Compensation*".

The following table sets forth for each of the Corporation's directors, other than directors who are also Named Executive Officers, all amounts of compensation for the Corporation's most recently completed fiscal year ended December 31, 2015:

Name	Fees Earned (\$)	Share-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(1)</sup>	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Reginald J. Greenslade	20,000	-	51,576	-	-	10,000 <sup>(3)</sup>	81,576
Grant W. Greenslade	20,000	-	101,924	-	-	70,000 <sup>(3)(4)</sup>	131,924
Michael J. Stark	20,000	-	51,576	-	-	10,000 <sup>(3)</sup>	81,576
Donald Archibald	20,000	-	51,576	-	-	10,000 <sup>(3)</sup>	81,576
Thomas Budd	20,000	-	51,576	-	-	-	71,576

**Notes:**

- (1) The Corporation currently has no share-based or non-equity incentive plans, nor did the Corporation have such incentive plans during the year ended December 31, 2015.
- (2) The amounts disclosed herein for the option based awards are calculated based on the fair value of the options granted during the year based on their fair value of each grant as at the grant date using the Black-Scholes model using the following assumptions on the grant date: the grant price, risk free interest rate and the volatility of the Common Shares up to the grant date. The information is disclosed in the audited financial statements of the Corporation as at December 31, 2015.
- (3) Spartan has an employee share ownership plan ("ESOP") pursuant to which the Corporation's directors may contribute up to \$2,500 per fiscal quarter to the ESOP, with Spartan matching the contribution on a 100% basis. Through an appointed independent firm, the Corporation uses the contributions to acquire Common Shares on behalf of the directors through open market purchases at the current market price on the TSX.
- (4) Includes fees paid to Mr. Greenslade's consulting business for services provided to the Corporation in 2015.

**Outstanding Option-Based and Share-Based Awards**

The following table sets forth all option-based outstanding at the end of the most recent fiscal year ended December 31, 2015, for the directors of the Corporation other than directors who are also Named Executive Officers. The Corporation did not have any outstanding share-based awards at the end of the most recent fiscal year ended December 31, 2015:

Name	Option-Based Awards			
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$) <sup>(2)</sup>
Reginald J. Greenslade	125,000	2.40	December 18, 2018	-
	42,000	2.69	March 20, 2020	-
Grant W. Greenslade	250,000	2.40	December 18, 2018	-
	83,333	2.69	March 20, 2020	-
Michael J. Stark	125,000	2.40	December 18, 2018	-
	42,000	2.69	March 20, 2020	-
Donald Archibald	125,000	2.40	December 18, 2018	-
	42,000	2.69	March 20, 2020	-
Thomas Budd	125,000	2.40	April 1, 2019	-
	42,000	2.69	March 20, 2020	-

**Notes:**

- (1) Calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSX on December 31, 2015, being \$2.36.

### ***Incentive Plan Awards - Value Vested or Earned During the Year***

The following table sets forth information in respect of the value vested or earned during the Corporation's fiscal year ended December 31, 2015, in respect of option-based awards and share-based awards for the directors of the Corporation, other than directors who are also Named Executive Officers. The Corporation did not have any share-based awards outstanding during the fiscal year ended December 31, 2015.

<u>Name</u>	<u>Option-Based Awards - Value Vested During the Year (\$) <sup>(2)</sup></u>	<u>Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$) <sup>(1)</sup></u>
Reginald J. Greenslade	-	-
Grant W. Greenslade	-	-
Michael J. Stark	-	-
Donald Archibald	-	-
Thomas Budd	-	-

**Notes:**

- (1) The Corporation currently has no share-based or non-equity incentive plans, nor did the Corporation have such incentive plans during the year ended December 31, 2015.
- (2) Represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date based on the difference between the closing market price of the Common Shares on the date immediately preceding the vesting date and the exercise price of the options held.

### ***Directors' and Officers' Liability Insurance***

The Corporation carries directors' and officers' liability insurance for its directors and officers.

### **EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2015, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders:

<u>Plan Category</u>	<u>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)</u>	<u>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)</u>	<u>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</u>
Equity Compensation Plans Approved by Securityholders	12,100,000	\$2.96	14,409,322 <sup>(1)</sup>
Equity Compensation Plans Not Approved by Securityholders	Nil	N/A	N/A
<b>Total</b>	<b>12,100,000</b>	<b>\$2.96</b>	<b>14,409,322</b>

**Notes:**

- (1) The Stock Option Plan provides that the aggregate number of Common Shares reserved for issuance pursuant to the Stock Option Plan shall not exceed 10% of the aggregate number of issued and outstanding Common Shares. As at May 16, 2016, the Corporation had 18,407,326 Common Shares remaining available for future issuance under equity compensation plans.

## **INDEBTEDNESS OF DIRECTORS AND OFFICERS**

No director or executive officer of the Corporation, nor any of their associates or affiliates, nor any employee of the Corporation is or has been indebted to the Corporation since the beginning of the most recently completed fiscal year of the Corporation, nor is, or at any time since the beginning of the most recently completed fiscal 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.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Sanjib Gill, the Corporate Secretary of the Corporation, is a partner of the national law firm McCarthy Tétrault LLP, which law firm rendered legal services to the Corporation.

Other than as set out above, there are no material interests, direct or indirect, of directors, executive officers of the Corporation or any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year.

## **INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Other than as disclosed in this Information Circular, management of the Corporation is not aware of any material interest of any director or nominee for director or senior officer 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 or the appointment of auditors.

## **CORPORATE GOVERNANCE PRACTICES**

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Corporation is also subject to NI 52-110, which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Corporation. The Board and the Corporation's management consider good corporate governance to be central to the effective and efficient operation of the Corporation. Below is a discussion of the Corporation's approach to corporate governance.

### ***Corporate Governance Committee***

The Board has established a Corporate Governance Committee. The members of the Corporate Governance Committee are Reginald J. Greenslade, Grant W. Greenslade and Donald Archibald. The Corporation's Corporate Governance Committee is responsible for proposing new director nominees to the Board and for assessing current directors on an ongoing basis. The Committee is also responsible for the Corporation's response to and implementation of the guidelines set forth from time to time by any applicable regulatory authorities. The Corporate Governance Committee is comprised entirely of independent members of the Board and is required to convene at least annually.

### ***Independence of Members of Board***

The Board currently consists of six directors, five of whom are independent based upon the tests for independence set forth in National Instrument 52-110 – *Audit Committees* (“**N1 52-110**”). Messrs. R. Greenslade, G. Greenslade, M. Stark, D. Archibald and T. Budd are independent. Mr. McHardy is not independent by virtue of serving as President and Chief Executive Officer of the Corporation.

### ***Board and Committee Meeting Attendance***

The following is a summary of attendance of the directors at meetings of the Board and its committees during the year ended December 31, 2015.

<u>Director</u>	<u>Board</u>	<u>Audit</u>	<u>Reserves and Environment</u>	<u>Compensation</u>	<u>Corporate Governance</u>
Richard F. McHardy	5/5	-	-	-	-
Reginald J. Greenslade	5/5	-	-	-	-
Grant W. Greenslade	5/5	-	1/1	1/1	1/1
Michael J. Stark	5/5	4/4	1/1	-	1/1
Donald Archibald	5/5	4/4	-	1/1	-
Thomas Budd	4/5	3/4	-	1/1	1/1

### ***Board Oversight and Chairman***

The Board exercises its independent supervision over the Corporation’s management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an *in camera* session among the independent and disinterested directors.

The Chairman of the Board is Michael J. Stark, an independent director. The role of the Chairman of the Board is to enhance the Board’s effectiveness by ensuring that the responsibilities of the Board are understood by the Board members and management, and ensuring the Board has adequate resources to support its decision-making requirements. The Chairman ensures there is a process in place for monitoring legislation and best practices, and to assess the effectiveness of the Board, the Board committees and individual directors on a regular basis. The Chairman also prepares agendas for Board meetings, consults with the Board on the effectiveness of Board committees, ensures that the independent directors have adequate opportunities to meet and discuss issues without management present, chairs meetings of the Board and communicates to other members of management as appropriate the results of private discussions among independent directors. The Chairman presides at meetings of the Board, provides leadership to the Board, assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation and conducts quarterly meetings where the Board meets to review and discuss operational and financial information presented to the Board by management.

### ***Participation of Directors in Other Reporting Issuers***

The participation of the directors in other reporting issuers is described in the table below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Richard F. McHardy	None
Reginald J. Greenslade	None
Grant W. Greenslade	None
Michael J. Stark	None
Donald Archibald	Cequence Energy Ltd. Chinook Energy Inc.
Thomas Budd	Toscana Energy Income Corporation

### ***Board Mandate***

The Board has adopted a written mandate, attached hereto as Schedule "A", that summarizes, among other things, the Board's duties and responsibilities. The Board is responsible for the overall stewardship of the Corporation and dealing with issues which are pivotal to determining the Corporation's strategy and direction. The Board has directly, and through the appointment of certain committees, put in place an effective system for monitoring the implementation of corporate strategies. The Board is not involved in the day to day operations of the Corporation, as these operations are conducted by the Corporation's management. The Board meets regularly to consider and approve the strategic objectives of the Corporation and management plans designed to accomplish those objectives. Where appropriate, key management personnel and professional advisors are invited to attend Board meetings to speak to these issues. The Board also meets as necessary to consider specific developments and opportunities as they arise, including asset acquisitions and dispositions and financing proposals. The Board approves, among other things, all issuances of securities of the Corporation, the appointment of officers, the entering into of lines of credit or other significant borrowing activities and all significant transactions. The Board considers, but has no formal policies, concerning management development and succession, risk management and communications.

Essential to strategic planning is assessing and understanding business risks and related control systems. The Board helps set limits with respect to business risks, to the extent they can be managed, and approves strategies for minimizing risks. Implementations of these strategies are then monitored by the Board. The Board, through the Audit Committee, requires management of the Corporation to put into place systems to address financial risks and to periodically report to the Board on these systems and risks.

Management has implemented procedures to provide reasonable assurance of effective communication with the Corporation's shareholders and the public. The Corporation's management is responsible for the issuance of press releases and communications with the financial community. The Board reviews and approves all principal continuous disclosure documents, the release of interim and annual financial statements, the annual information form, prospectuses and information circulars.

The Corporate Governance Committee is responsible for monitoring the governance systems of the Corporation with a view to ongoing improvements, reviewing the composition of the Board and developing criteria for new Board appointments. The Corporate Governance Committee also acts as a nominating committee for new directors, oversees and approves the Corporation's compensation plans and evaluates the overall Board effectiveness.

### ***Position Descriptions***

The Board has developed written position descriptions for the Chairman of the Board and the Chief Executive Officer of the Corporation, but has not developed a written position description for the Chairman of the Audit Committee.

The Chair of the Board presides at meetings of the Board and the shareholders of the Corporation, provides leadership to the Board and assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation, schedules meetings of the Board and organizes and presents agendas for regular or special Board meetings and communicates with the Board to keep it current on all material developments. The Chair of each committee of the Board schedules meetings of such committee and organizes and presents agendas for such meetings.

The Board, in conjunction with management, sets the Corporation's annual objectives which become the objectives against which the Chief Executive Officer's performance is measured. The Board has plenary power; any responsibility which is not delegated to management or a Board committee remains with the Board.

### ***Orientation and Continuing Education***

While the Corporation does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Corporation's corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Corporation;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Corporation's compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Corporation; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

### ***Ethical Business Conduct***

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation and the guidelines of the TSX for effective corporate governance, including NP 58-201. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Business Conduct and Ethics (the "**Code**") wherein directors, officers and employees of the Corporation and others are provided with a mechanism by which they can raise complaints regarding



financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process. Interested Shareholders may obtain a copy of the Code upon request by contacting the Corporation at Suite 500, 850 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 0R8.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Corporate Governance Committee. Compliance with the Code is monitored primarily through the reporting process within the Corporation's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Corporation promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Corporation and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Corporate Governance Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer, or the Corporate Governance Committee.

### ***Nomination of Directors***

The Corporate Governance Committee has responsibility for identifying potential Board candidates. The Corporate Governance Committee assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the oil and gas industry are consulted for possible candidates. The Board has adopted a written charter setting forth the responsibilities, powers and operations of the Corporate Governance Committee, which include considering what competencies and skills the Board, as a whole, should possess, the appropriate size of the Board in order to facilitate effective decision making and assessing the same on a periodic basis, making recommendations to the Board with respect to filling vacancies, evaluating the performance of individual directors and making recommendations as to their further nomination, reviewing proposed shareholder nominees and making recommendations to the Board regarding resignations of directors. The Corporate Governance Committee has the power to retain outside advisors as it considers necessary for the proper functioning of the committee, at the Corporation's expense. The Corporate Governance Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the Corporate Governance Committee.

### ***Compensation Committee***

The members of the Compensation Committee are independent and have the responsibility for determining compensation for the directors and senior management. See "*Executive Compensation*" above.

The members of the Compensation Committee are Reginald J. Greenslade, Michael J. Stark and Donald Archibald. The Corporation's Compensation Committee reviews and makes recommendations to the Board concerning the compensation of the Corporation's directors, officers and employees, which includes the review of the Corporation's executive compensation and other human resource philosophies and policies, the review and administration of the Corporation's bonuses, stock options and any share purchase plan, the review of and recommendations regarding the performance of the Chief Executive Officer of the Corporation and preparing and submitting a report for inclusion in annual continuous disclosure documents

as required. All members of the Compensation Committee have previously served on compensation committees of other companies and have experience in this role.

The Board has adopted a written charter that sets forth the responsibilities, powers and operations of the Compensation Committee, which include: (i) reviewing the adequacy and form of any compensation program for executive officers; (ii) reviewing the adequacy and form of non-employee directors' compensation; (iii) reviewing and creating a position description for the Chief Executive Officer; (iv) evaluating the Chief Executive Officer's performance in light of corporate goals and objectives; and (v) making recommendations to the Board with respect to the Chief Executive Officer's compensation. The Compensation Committee has the power to retain independent legal, accounting or other relevant advisors as it may deem necessary or appropriate to allow it to discharge its responsibilities, at the expense of the Corporation. The Compensation Committee meets at least once annually and otherwise as requested by the Board or considered desirable by the Chair of the committee.

### ***Audit Committee***

Please see the discussion under "*Audit Committee*".

### ***Reserves and Environment Committee***

The members of the Reserves and Environment Committee are Reginald J. Greenslade, Grant W. Greenslade and Thomas Budd. Reginald Greenslade is the Chairman of the Reserves and Environment Committee. The Reserves and Environment Committee's responsibilities include, but are not limited to: (i) reviewing management's recommendations for the appointment of independent engineers; (ii) reviewing the independent engineering reports and considering the principal assumptions upon which such reports are based; (iii) reviewing management's input into the independent engineering report and key assumptions used; (iv) reviewing the reserve additions and reserve revisions which occur from one report to the next and seeking the independent engineer's input and management's input with respect to why these revisions have occurred; (v) reviewing the information supplied to the independent engineers with respect to the constant price case, operating costs, royalty burdens, required capital expenditures, recovery rates, decline rates and other matters; (vi) annually reviewing the appropriateness of, and updating, the Corporation's environmental policies, management systems and programs and reporting to the Board thereon; (vii) ensuring that the Corporation has the necessary tools to measure its business units' environmental performance and compliance with applicable regulatory standards; (viii) reviewing the environmental performance and, whenever relevant, any non-compliance situation of the Corporation's business units, to recommend the required corrective measures; (ix) ensuring that environmental risk management procedures and emergency response measures are in place and are periodically updated and distributed within the Corporation; (x) assessing the environmental risks and emergency situations brought to its attention to recommend the required corrective measures; (xi) immediately communicating any incident giving rise to significant environmental risks to the Board; (xii) recommending to the Board that the Corporation exercise due diligence with respect to non-compliance situations, environmental risks or emergency situations brought to its attention; (xiii) reviewing and reporting to the Board on all legal notices or civil, penal and/or criminal prosecutions brought to its attention; (xiv) recommending to the Board measures, including necessary investments, taking into account available technologies and economic and financial restraints, to ensure compliance with regulatory standards and the Corporation's environmental policies and programs; (xv) analyzing all environmental matters brought to its attention and deemed relevant or that the Board specifically asks the Committee to review; and (xvi) reporting to the Board on the Corporation's environmental policies, programs and situation and make appropriate recommendations.

### ***Assessments***

The Board is responsible to assess, on an ongoing basis, its overall performance and that of its committees. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. The review will identify any areas where the directors of the Corporation or management believe that the Board could make a better collective contribution to overseeing the affairs of the Corporation. The Board is also responsible for regularly assessing the effectiveness and contribution of each director, having regard to the competencies and skills each director is expected to bring to the Board.

### ***Director Term Limits***

The Corporation has not adopted term limits for the directors on the Board or other mechanisms of board renewal. The Corporation does not impose term limits on its directors as it takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service. Instead, the Corporation believes that directors should be assessed based on their ability to continue to make a meaningful contribution. The Board's priorities continue to be ensuring the appropriate skill sets are present amongst the Board to optimize the benefit to the Corporation. The Corporation believes that annual elections by the Shareholders are a more meaningful way to evaluate the performance of directors and to make determinations about whether a director should be removed due to under-performance.

### ***Policies Regarding Gender Diversity***

While the Board recognizes the potential benefits from new perspectives which could manifest through increased gender diversity within its ranks, the Board has not formally adopted a written board diversity policy and has not set a target regarding the number or percentage of female members that it wishes to include on the Board. The selection of candidates for appointment to the Board will continue to be based on the skills, knowledge, experience and character of individual candidates and the requirements of the Board at the time, with achieving an appropriate level of diversity on the Board being one of the criteria that the Corporate Governance Committee considers when evaluating the composition of the Board.

When considering candidates for senior management positions, the Corporation focuses on attracting and retaining experienced and highly skilled individuals that can add value to its business. While the Corporation considers the level of representation of women in executive officer positions when making executive officer appointments, the Board does not believe that a formal policy will necessarily result in the identification or selection of the best candidates. The Corporation considers all candidates based on their merit and qualifications relevant to the specific role.

The Corporation does not currently have any targets, rules or formal policies that specifically require the identification, consideration, nomination or appointment of female board nominees or candidates for executive management positions or that would otherwise force the composition of the Board or the Corporation's executive management team. The Board does not believe it is in the Corporation's best interests to implement such targets at this time.

There are presently no women on the Board and no women serving in executive officer positions.

## **AUDIT COMMITTEE**

The purpose of the Corporation's Audit Committee is to provide assistance to the Board in fulfilling its legal fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal

control and legal compliance functions of the Corporation. It is the objective of the Audit Committee to maintain free and open means of communications among the Board, the independent auditors and the financial and senior management of the Corporation.

In connection with Audit Committee disclosure required under NI 52-110, please see “*Audit Committee*” in the Corporation’s Annual Information Form filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **ADDITIONAL INFORMATION**

Financial information of the Corporation is provided in the Corporation’s financial statements and management’s discussion and analysis for its most recently completed financial year. A copy of these documents may be obtained by contacting the Corporation’s Chief Financial Officer at Suite 500, 850 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 0R8.

Copies of these documents as well as additional information relating to the Corporation contained in documents filed by the Corporation with the Canadian securities regulatory authorities may also be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

**SCHEDULE "A"**  
**BOARD MANDATE**

**SPARTAN ENERGY CORP.**  
**BOARD OF DIRECTORS MANDATE**

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**1. GENERAL**

The Board of Directors (the "**Board**") of Spartan Energy Corp. (the "**Company**") is responsible for the stewardship of the Company's affairs and the activities of management of the Company in the conduct of day to day business, all for the benefit of its shareholders.

The primary responsibilities of the Board are:

- (a) to maximize long term shareholder value;
- (b) to approve the strategic plan of the Company;
- (c) to ensure that processes, controls and systems are in place for the management of the business and affairs of the Company and to address applicable legal and regulatory compliance matters;
- (d) to maintain the composition of the Board in a way that provides an effective mix of skills and experience to provide for the overall stewardship of the Company;
- (e) to ensure that the Company meets its obligations on an ongoing basis and operates in a safe and reliable manner; and
- (f) to monitor the performance of the management of the Company to ensure that it meets its duties and responsibilities to the shareholders.

**2. COMPOSITION AND OPERATION**

The number of directors shall be not less than the minimum and not more than the maximum number specified in the Company's articles and shall be set from time to time within such limits by resolutions of the shareholders or of the Board as may be permitted by law. Directors are elected to hold office for a term of one year. At least 25 percent of the directors must be Canadian residents. The Board will analyze the application of the "independent" standard as such term is referred to in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, to individual members of the Board on an annual basis and disclose that analysis. The Board will in each year appoint a chairman of the Board (the "**Chairman**").

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chairman, nominating candidates for election to the Board, constituting committees of the Board and determining compensation for the directors. Subject to the articles and by-laws of the Company and the *Business Corporations Act* (Alberta) (the "**ABCA**"), the Board may constitute, seek the advice of, and delegate certain powers, duties and responsibilities to, committees of the Board.

### **3. MEETINGS**

The Board shall have a minimum of four regularly scheduled meetings per year. The meetings shall ordinarily take place in March, May, August and November. Special meetings are called as necessary. Occasional Board trips are scheduled, if possible, in conjunction with regular Board meetings, to offer directors the opportunity to visit sites and facilities at different operational locations. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

The Board will schedule executive sessions where directors meet with or without management participation at each regularly-scheduled meeting of the Board.

### **4. SPECIFIC DUTIES**

#### **(a) Oversight and Overall Responsibility**

In fulfilling its responsibility for the stewardship of the affairs of the Company, the Board shall be specifically responsible for:

- (i) providing leadership and direction to the Company and management with the view to maximizing shareholder value. Directors are expected to provide creative vision, initiative and experience in the course of fulfilling their leadership role;
- (ii) satisfying itself as to the integrity of the Chief Executive Officer (the "**CEO**") and other senior officers of the Company and ensuring that a culture of integrity is maintained throughout the Company;
- (iii) approving the significant policies and procedures by which the Company is operated and monitoring compliance with such policies and procedures, and, in particular, compliance by all directors, officers and employees with the provisions of the Code of Business Conduct and Ethics;
- (iv) reviewing and approving material transactions involving the Company, including the acquisitions and dispositions of material assets by the Company and material capital expenditures by the Company;
- (v) approving budgets, monitoring operating performance and ensuring that the Board has the necessary information, including key business and competitive indicators, to enable it to discharge this duty and take any remedial action necessary;
- (vi) establishing methods by which interested parties may communicate directly with the Chairman or with the independent directors as a group and cause such methods to be disclosed;
- (vii) developing written position descriptions for the Chairman and for the chair of each Board committee; and

- (viii) making regular assessments of the Board and its individual members, as well as the effectiveness and contributions of each Board committee.

**(b) Legal Requirements**

- (i) The Board has the oversight responsibility for meeting the Company's legal requirements and for properly preparing, approving and maintaining the Company's documents and records.
- (ii) The Board has the statutory responsibility to:
  - A. manage the business and affairs of the Company;
  - B. act honestly and in good faith with a view to the best interests of the Company;
  - C. exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
  - D. act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Company, and other relevant legislation and regulations.
- (iii) The Board has the statutory responsibility for considering the following matters as a full Board which in law may not be delegated to management or to a committee of the Board:
  - A. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - B. the filling of a vacancy among the directors or in the office of auditor;
  - C. the appointment of additional directors;
  - D. the issuance of securities except in the manner and on the terms authorized by the Board;
  - E. the declaration of dividends;
  - F. the purchase, redemption or any other form of acquisition of shares issued by the Company, except in the manner and on the terms authorized by the Board;
  - G. the payment of a commission to any person in consideration of such person's purchasing or agreeing to purchase shares of the Company from the Company or from any other person, or procuring or agreeing to procure purchasers for any shares of the Company;
  - H. the approval of management proxy circulars;
  - I. the approval of any financial statements to be placed before the shareholders of the Company at an annual general meeting; and



J. the adoption, amendment or repeal of any by-laws of the Company.

**(c) Independence**

The Board shall have the responsibility to:

- (i) implement appropriate structures and procedures to permit the Board to function independently of management (including, without limitation, through the holding of meetings at which non-independent directors and management are not in attendance, if and when appropriate);
- (ii) implement a system which enables an individual director to engage an outside advisor at the expense of the Company in appropriate circumstances; and
- (iii) provide an orientation and education program for newly appointed members of the Board.

**(d) Strategy Determination**

The Board shall:

- (i) adopt and annually review a strategic planning process and approve the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Company's business; and
- (ii) annually review operating and financial performance results relative to established strategy, budgets and objectives.

**(e) Managing Risk**

The Board has the responsibility to identify and understand the principal risks of the Company's business, to achieve a proper balance between risks incurred and the potential return to shareholders, and to ensure that appropriate systems are in place which effectively monitor and manage those risks with a view to the long-term viability of the Company.

**(f) Appointment, Training and Monitoring of Senior Management**

The Board shall:

- (i) appoint the CEO and other senior officers of the Company, approve (upon recommendations from the Corporate Governance and Compensation Committees) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value;
- (ii) ensure that a process is established that adequately provides for succession planning including the appointment, training and monitoring of senior management;
- (iii) establish limits of authority delegated to management; and

- (iv) develop a written position description for the CEO.

**(g) Reporting and Communication**

The Board has the responsibility to:

- (i) verify that the Company has in place policies and programs to enable the Company to communicate effectively with its shareholders, other stakeholders and the public generally;
- (ii) verify that the financial performance of the Company is reported to shareholders, other security holders and regulators on a timely and regular basis;
- (iii) verify that the financial results of the Company are reported fairly and in accordance with International Financial Reporting Standards from time to time;
- (iv) verify the timely reporting of any other developments that have a significant and material impact on the value of the Company;
- (v) report annually to shareholders on its stewardship of the affairs of the Company for the preceding year; and
- (vi) develop appropriate measures for receiving stakeholder feedback.

**(h) Monitoring and Acting**

The Board has the responsibility to:

- (i) review and approve the Company's financial statements and oversee the Company's compliance with applicable audit, accounting and reporting requirements;
- (ii) verify that the Company operates at all time within applicable laws and regulations to the highest ethical and moral standards;
- (iii) approve and monitor compliance with significant policies and procedures by which the Company operates;
- (iv) monitor the Company's progress towards its goals and objectives and to work with management to revise and alter its direction in response to changing circumstances;
- (v) take such action as it determines appropriate when the Company's performance falls short of its goals and objectives or when other special circumstances warrant; and
- (vi) verify that the Company has implemented appropriate internal control and management information systems.

**(i) Other Activities**

The Board may perform any other activities consistent with this mandate, the articles and by-laws of the Company and any other governing laws as the Board deems necessary or appropriate including, but not limited to:

- (i) preparing and distributing the schedule of Board meetings for each upcoming year;
- (ii) calling meetings of the Board at such time and such place and providing notice of such meetings to all members of the Board in accordance with the by-laws of the Company; and
- (iii) ensuring that all regularly-scheduled Board meetings and committee meetings are properly attended by directors. Directors may participate in such meetings by conference call if attendance in person is not possible.

**(j) Code of Business Conduct and Ethics**

The Board shall be responsible to adopt a "Code of Business Conduct and Ethics" for the Company which shall address:

- (i) conflicts of interest;
- (ii) the protection and proper use of the Company's assets and opportunities;
- (iii) the confidentiality of information;
- (iv) fair dealing with various stakeholders of the Company;
- (v) compliance with laws, rules and regulations; and
- (vi) the reporting of any illegal or unethical behaviour.

**5. BOARD COMMITTEES**

The Board shall at all times maintain (a) an Audit Committee, (b) a Reserves Committee, (c) a Corporate Governance Committee, and (d) a Compensation Committee, each of which must report to the Board. Each such committee must operate in accordance with the by-laws, applicable law, its committee charter and the applicable rules of any stock exchange on which the shares are traded. The Board may also establish such other committees as it deems appropriate and delegate to such committees such authority permitted by its by-laws and applicable law, and as the Board sees fit. The purpose of the Board committees is to assist the Board in discharging its responsibilities. Notwithstanding the delegation of responsibilities to a Board committee, the Board is ultimately responsible for matters assigned to the committees for determination. Except as may be explicitly provided in the charter of a particular committee or a resolution of the Board, the role of a Board committee is to review and make recommendations to the Board with respect to the approval of matters considered by the committee.

## **6. DIRECTOR ACCESS TO MANAGEMENT**

The Company shall provide each director with complete access to the management of the Company, subject to reasonable advance notice to the Company and reasonable efforts to avoid disruption to the Company's management, business and operations.

## **7. DIRECTOR COMPENSATION**

The Board, upon recommendation of the Compensation Committee, will determine and review the form and amount of compensation to directors.

**SCHEDULE "B"**  
**RSU PLAN**

## SPARTAN ENERGY CORP.

### RESTRICTED SHARE UNIT PLAN (SHARE SETTLED)

#### ARTICLE 1 PURPOSE

##### 1.1 Purpose

The purpose of this Restricted Share Unit Plan is to provide directors, officers, employees and consultants of Spartan Energy Corp. (the “**Company**”) with the opportunity to acquire RSUs to allow them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company’s shareholders.

#### ARTICLE 2 INTERPRETATION

##### 2.1 Definitions

For purposes of the Plan:

- (a) “**Applicable Withholding Amount**” is defined in Section 4.8(b);
- (b) “**Award Date**” means a date on which RSUs are awarded to a Participant in accordance with Section 4.1;
- (c) “**Award Notice**” means a notice substantially in the form of Schedule A and containing such other terms and conditions relating to an award of RSUs as the Board may prescribe;
- (d) “**Board**” means the board of directors of the Company or its delegate pursuant to Section 3.1(b);
- (e) “**Change of Control**” means and shall be deemed to have occurred upon the happening of any of the following events:
  - (i) the acceptance by the holders of Shares, representing in aggregate, more than 50% of all issued Shares of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares; or
  - (ii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired) directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, if any, representing (assuming the full exercise of such rights to Shares) more than 50% of the combined voting rights of the Company’s then outstanding Shares; or
  - (iii) the entering into of any agreement by the Company to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or

into another corporation; provided that no change of control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date; or

- (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation winding up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and where the shareholdings remain substantially the same following the re-arrangement); or
- (v) individuals who were members of the Board immediately prior to a meeting of shareholders of the Company involving a contest for or an item of business relating to the election of directors, do not constitute a majority of the Board following such contest or election; or
- (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) and referred to above; or
- (vii) a determination by the Board, acting in good faith, that a change of control has occurred for the purpose of this clause.

For purposes of this Plan, the Board may, by resolution, clarify the date as of which a Change of Control shall be deemed to have occurred.

- (f) "**Committee**" means the Compensation Committee of the Board or such other Committee of the Board as may be appointed by the Board to administer the Plan;
- (g) "**Company**" means Spartan Energy Corp. and its successors and assigns;
- (h) "**Disabled**" and "**Disability**" mean the permanent and total incapacity of a Participant as determined by the Board for purposes of this Plan;
- (i) "**Distribution Date**" means the date determined in accordance with Sections 4.7 or 4.11, as applicable;
- (j) "**Dividend Equivalent**" means a bookkeeping entry whereby each RSU is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 4.5;

- (k) **“Dividend Market Value”** means the volume weighted average trading price of the Shares on the TSX for the five (5) trading days immediately following the dividend record date for the payment of any dividend made on the Shares;
- (l) **“Eligible Person”** means a Person entitled to receive RSUs in accordance with Section 3.3;
- (m) **“Exercise Notice”** is defined in Section 4.7(a);
- (n) **“Final Date”** is defined in Section 4.7(a)(ii);
- (o) **“Insider”** has the meaning ascribed thereto in applicable securities legislation;
- (p) **“Participant”** means an Eligible Person who has been awarded RSUs under the Plan or to whom RSUs have been transferred in accordance with the Plan;
- (q) **“Payment Shares”** is defined in Section 4.8(a);
- (r) **“Permitted Assign”** means, with respect to any Participant:
  - (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the Participant,
  - (ii) a holding entity of the Participant,
  - (iii) a spouse of the Participant,
  - (iv) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the spouse of the Participant, or
  - (v) a holding entity of the spouse of the Participant;
- (s) **“Person”** means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (t) **“Plan”** means this Restricted Share Unit Plan as amended, restated, supplemented or otherwise modified from time to time;
- (u) **“RSU”** means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with Article 4;
- (v) **“Share”** means a common share of the Company or, in the event of an adjustment contemplated by Section 4.12, such number or type of securities as the Board may determine;
- (w) **“TSX”** means the Toronto Stock Exchange; and



- (x) **“U.S. Taxpayer”** means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident for the purposes of the U.S. Internal Revenue Code (the **“Code”**) or a Participant for whom the award of RSUs under this Plan would otherwise be subject to U.S. taxation under the United States Internal Revenue Code. A Participant shall be considered a U.S. taxpayer solely to the extent such Participant’s RSUs are subject to U.S. taxation.

## **2.2 Certain Rules of Interpretation**

- (a) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term **“discretion”** means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.
- (b) As used herein, the terms **“Article”** and **“Section”** mean and refer to the specified Article or Section of this Plan.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, all references to money amounts are to Canadian currency.

## **ARTICLE 3 ADMINISTRATION**

### **3.1 Administration of the Plan**

- (a) This Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board shall be binding and conclusive upon the Company and on all Eligible Persons, Participants, Permitted Assigns and all other Persons.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee, on such terms as it considers appropriate, all or any of the powers, duties and functions relating to the granting of RSUs and the administration of the Plan, including the power to sub-delegate, to the extent permitted by applicable law, to any specified officer of the Company all or any of the powers delegated to the Committee. Any decision made or action taken by the Committee or the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Company, the Participants and all other Persons.

### **3.2 Determination of Value if Shares Not Publicly Traded**

If the Shares are not publicly traded on the TSX or any other stock exchange at the relevant time such that the Dividend Market Value cannot be determined in accordance herein, such value shall be determined by the Board acting in good faith.

### **3.3 Eligibility**

RSUs shall be granted only to persons (“**Eligible Person**”):

- (a) who are directors of the Company at the Award Date; or
- (b) who are officers, employees, or consultants of the Company as the Board determines should receive RSUs in accordance with the applicable laws and the policies and rules of the TSX.

The Board reserves the right to restrict eligibility or otherwise limit the number of Persons eligible for participation in the Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of RSUs pursuant to the Plan.

### **3.4 Total Shares Subject to RSUs**

Unless otherwise approved by the TSX (or such other exchanges on which the Shares may be listed from time to time) and the shareholders of the Company:

- (a) the securities that may be issued to Participants pursuant to this Plan shall consist of those authorized but unissued Shares which the Board and/or Committee has, in its discretion, reserved and approved for issuance under the Plan from time to time;
- (b) subject to Section 4.2, the aggregate number of Shares that may be issuable pursuant to the Plan shall not exceed 5% of the issued and outstanding Shares from time to time;
- (c) the Board shall not grant RSUs under the Plan if the number of Shares issuable pursuant to outstanding RSUs, when combined with the number of Shares issuable pursuant to outstanding stock options granted under the Company’s stock option plan and outstanding securities under any other security based compensation arrangements of the Company, would exceed 10% of the issued and outstanding Shares at the time of the grant; and
- (d) to the extent RSUs are exercised or to the extent any RSUs are terminated for any reason or are cancelled, the Shares subject to such RSUs shall be added back to the number of Shares reserved for issuance under the Plan and such Shares will again become available for RSU grants under the Plan.

### **3.5 Participant’s Agreement to be Bound**

- (a) Participation in the Plan is entirely voluntary and is at the discretion of the Eligible Person, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Should any Eligible Person elect to participate in the Plan by electing to receive RSUs through delivery of an acknowledgement in the manner specified in Section 3.5(b) or otherwise, such acknowledgement shall be construed as acceptance by the Eligible Person, of the terms and conditions of the Plan, and all rules and procedures adopted hereunder, as amended, assigned or assumed from time to time in accordance with the terms hereof.

- (b) In order to participate in the Plan, an Eligible Person shall acknowledge each Award Notice and such other matters as deemed necessary by the Committee, in its sole discretion, including those matters specified in Schedule A, by delivering their countersigned acknowledgement on the Award Notice within fifteen (15) days of the delivery of an Award Notice. If such acknowledgement is not so delivered within the time specified in this Section 3.5(b), the Company shall not credit any RSUs to the Participant's Account, unless waived by the Committee, in its sole discretion.

## ARTICLE 4 AWARD OF RESTRICTED SHARE UNITS

### 4.1 Award of RSUs

Subject to the provisions of the Plan and such other terms and conditions as the Committee or the Board may prescribe, the Committee may, from time to time grant RSUs to any Eligible Person. Upon receipt of an acknowledgement in the manner specified in Section 3.5, RSUs shall be credited to an account maintained for each Participant on the books of the Company, effective as of the Award Date for that grant. The number of RSUs (including fractional RSUs) to be credited as of the Award Date shall be determined by the Committee in its sole discretion.

### 4.2 Maximum Securities

Notwithstanding Sections 4.1 and 4.5:

- (a) the number of securities issuable to Insiders of the Company, at any time, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 10% of the issued and outstanding securities of the Company calculated on a non-diluted basis;
- (b) the number of securities issued to Insiders, within any one year period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 10% of the issued and outstanding securities of the Company calculated on a non-diluted basis, and
- (c) the number of Shares issued to any one Insider and such Insider's associates, within any one year period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 5% of the issued and outstanding securities of the Company calculated on a non-diluted basis, provided that if the acquisition of Shares by the Company for cancellation should result in such tests no longer being met, this shall not constitute non-compliance with this Section 4.2 for any awards outstanding prior to such purchase of Shares for cancellation. For purposes of the foregoing, "**security based compensation arrangements**" means any compensation mechanism involving the issuance or the potential issuance of securities of the Company from treasury.
- (d) the number of securities issued to a Participant who is a consultant, within any one year period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 2% of the issued and outstanding securities of the Company calculated on a non-diluted basis;

- (e) the number of securities issued to any Participants who are employees engaged in investor relation activities, within any one year period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed in aggregate 2% of the issued and outstanding securities of the Company calculated on a non-diluted basis, unless the Company receives the permission of the stock exchange or exchanges on which the Shares are listed to exceed such threshold.

#### **4.3 Vesting Period**

Each RSU will vest on such terms as shall be specified by the Board or Committee at the time of granting an award of RSUs as reflected in the Award Notice, except as otherwise provided in this Plan. Unless otherwise stipulated by the Board or the Committee at the time of grant, the RSUs awarded will be vested as to one third on the first, second and third anniversary of the date of grant.

#### **4.4 Award Notice**

All awards of RSUs under Sections 4.1 of this Plan will be evidenced by an Award Notice. Such Award Notice will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board or Committee may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Notice to a Participant once the Board or Committee has approved the grant of RSUs to that particular Eligible Person.

#### **4.5 Credits for Dividends**

In the event that the Company pays a normal cash dividend on the Shares, a Participant's account shall be credited with Dividend Equivalents in the form of additional RSUs as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs recorded in the Participant's account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places. Any additional RSUs resulting from such Dividend Equivalents shall have the same vesting schedule and Distribution Date as the RSUs to which they relate. The foregoing does not require the Company to pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

#### **4.6 Reporting of RSUs**

Statements of the RSU accounts will be provided to Participants on an annual basis.

#### **4.7 Distribution Date Election**

- (a) Subject to Sections 4.7(b), 4.10 and 4.11, a Participant who is not a U.S. Taxpayer shall have the right to elect to exercise any vested RSUs recorded in the Participant's account by delivering to the Company a written notice (an "**Exercise Notice**") specifying a date for distribution of Shares in settlement of such RSUs (a "**Distribution Date**"), such date to be as soon as practical after delivery of the Exercise Notice; provided that such date shall not be later than the earlier of:

- (i) the thirtieth day after the Participant ceases to be eligible to participate under the Plan; or
  - (ii) the fifth anniversary of the Award Date,  
(the “**Final Date**”).
- (b) In the event a Participant fails to deliver a timely Exercise Notice pursuant to Section 4.7(a) or specifies a Distribution Date in an Exercise Notice which is later than the Final Date, the Distribution Date shall be deemed to be the Final Date.
- (c) Notwithstanding anything to the contrary in this Section, with respect to any RSUs awarded to a Participant who is a U.S. Taxpayer, the Distribution Date shall be the applicable vesting date established pursuant to Section 4.3. No Exercise Notice or election of alternative Distribution Date shall be permitted for U.S. Taxpayers.

#### **4.8 Distribution of Shares**

- (a) As soon as practicable after each Distribution Date or on the Final Date (if the Distribution Date is the Final Date), the Company shall issue to the Participant or, if Section 4.11 applies, to the Participant’s estate, a number of Shares equal to the number of RSUs in the Participant’s account that became payable on the Distribution Date (the “**Payment Shares**”). As of the Distribution Date, the RSUs in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such RSUs.
- (b) As a condition to the issue of Shares in payment of any RSUs, the Company may require that the Participant: (1) pay to the Company such amount as the Company is required to remit to the relevant taxing authority in respect of the issuance of the Shares in payment of the RSUs (the “**Applicable Withholding Amount**”); (2) withhold the Applicable Withholding Amount from any remuneration or other amount otherwise payable by the Company to the Participant; (3) require a sale of a number of Shares issued upon payment of the RSUs and the remittance to the Company of the net proceeds from such sale sufficient to satisfy the Applicable Withholding Amount; or (4) enter into any other arrangements suitable to the Company to enable the Company to satisfy the Applicable Withholding Amount, including any combination of the foregoing. Following receipt of the Exercise Notice from the Participant, the Company shall advise the Participant in writing of any Applicable Withholding Amount required in connection with the issue of Shares in settlement of the RSUs.

#### **4.9 Resignation or Termination**

Notwithstanding Sections 4.7 and 4.8, and subject to any written resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries (as the case may be) for any reason other than death or Disability, then all RSUs granted to the Participant under the Plan that have not yet vested as of the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries as the case may

be, (the “**Termination Date**”) shall terminate without payment and shall be of no further force or effect. Such Participant may elect to exercise any RSUs that are vested as of the Termination Date in accordance with Section 4.7(a).

#### **4.10 Disability**

Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries (as the case may be) by reason of Disability, all unvested RSUs shall immediately vest, and all RSUs held by such Participant under the Plan shall be automatically settled and the Distribution Date shall be the ninetieth day after such date.

#### **4.11 Death of Participant Prior to Distribution**

Notwithstanding Sections 4.7 and 4.8 of the Plan, but subject to any express resolution passed by the Board or Committee, upon the death of a Participant, all unvested RSUs shall immediately vest, and all RSUs held by such Participant under the Plan shall be automatically settled and the Distribution Date shall be the ninetieth day after the death of the Participant.

#### **4.12 Adjustments to RSUs**

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company’s assets to shareholders (other than the payment of dividends in respect of the Shares as contemplated by Section 4.5), the account of each Participant and the RSUs outstanding under the Plan shall be adjusted in such manner, if any, as the Board may in its discretion, subject to approval by the TSX, deem appropriate to preserve, proportionally, the interests of Participants under the Plan.

#### **4.13 Change of Control**

- (a) Unless otherwise determined by the Board in its sole discretion, upon a Change of Control, all unvested RSUs shall become automatically vested.
- (b) Shares issuable in respect of RSUs shall be, and shall be deemed to be, issued to Participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with this Plan.

#### **4.14 Discretion to Permit Vesting**

Notwithstanding the provisions of Sections 4.3, 4.9, 4.10 and 4.11, the Board may, in its sole discretion, at any time prior to or following the events contemplated in such Sections, permit the vesting of any or all RSUs held by a Participant and the issuance of the Payment Shares in respect of such RSUs in the manner and on the terms authorized by the Board, provided that the Board will not, in any case, authorize the vesting of an RSU or the issuance of a Payment Share pursuant to this Section beyond the Final Date applicable to the particular RSU.

#### 4.15 Black-Out Periods

Subject to the rules and regulations of any exchange on which the Shares are listed for trading, notwithstanding any other provisions of this Plan, if the Distribution Date of any RSU occurs during or within 10 business days following the end of a Black-Out Period (as defined below), the Distribution Date of such RSU shall be extended for a period of 10 business days following the end of the Black-Out Period (or such longer period as permitted by the TSX or other exchange on which the Shares are listed and approved by the Board). “**Black-Out Period**” means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of an RSU.

### ARTICLE 5 GENERAL

#### 5.1 Amendment, Suspension, or Termination of Plan

- (a) Subject to Sections 5.1(b) and 5.1(c) below and to the rules and policies of any stock exchange on which the Shares are listed and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, amend, suspend or terminate the Plan or awards granted hereunder for any purpose which, in the good faith opinion of the Board, may be expedient or desirable, including making such amendments to the Plan to comply with rules and policies of any stock exchange on which the Shares are listed.
- (b) Notwithstanding Section 5.1(a) but subject to 5.1(f), the Board shall not alter or impair any rights or increase any obligations with respect to an RSU previously granted under the Plan without the consent of the Participant.
- (c) Notwithstanding Section 5.1(a), none of the following amendments shall be made to this Plan or awards granted hereunder without approval of the TSX (to the extent the Company has any securities listed on such exchange) and the approval of shareholders:
  - (i) amendments to the Plan which would increase the number of securities issuable under the Plan otherwise than in accordance with the terms of this Plan;
  - (ii) amendments to the Plan which would increase the number of securities issuable to Insiders otherwise than in accordance with the terms of this Plan;
  - (iii) amendments that would extend the Distribution Date of any RSUs held by Insiders beyond the original Final Date of the RSUs;
  - (iv) the addition of any form of financial assistance to a Participant; and
  - (v) amendments to this Section 5.1(c).

Such amendments shall require the approval of the holders of the Company's Shares by ordinary resolution.

- (d) If the Board terminates or suspends the Plan, no new RSUs will be credited to the account of a Participant. Previously credited RSUs whether or not vested, may, at the Board's election, be accelerated (if unvested) and/or Shares issuable in respect of such RSU may be distributed to Participants or may remain outstanding. In the event that an RSU remains outstanding following a suspension or termination of the Plan, such RSU shall not be entitled to Dividend Equivalents unless at the time of termination or suspension the Board determines that the entitlement to Dividend Equivalents after termination or during suspension, as applicable, should be continued.
- (e) The Board shall not require the consent of any affected Participant in connection with a termination of the Plan in which the vesting of all RSUs held by the Participant are accelerated and the Payment Shares are issued to the Participant in respect of all such RSUs.
- (f) The Plan will terminate on the date upon which no further RSUs remain outstanding.

## **5.2 Compliance with Laws/U.S. Tax Matters**

The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If at any time the Board determines that the listing, registration or qualification of the Shares subject to the RSU upon any securities exchange or under any provincial, state, federal or other applicable law, or the consent or approval of any governmental body, securities exchange, or the holders of the Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such RSUs or the issue of Shares thereunder, no such RSU may be awarded or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

The RSUs awarded to Participants who are U.S. Taxpayers are intended to be exempt from Section 409A of the United States Internal Revenue Code and the provisions of this Plan shall be interpreted consistent with that intent.

## **5.3 Reorganization of the Company**

The existence of any RSUs shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

## **5.4 Assignment**

Rights and obligations under the Plan may be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any company acquiring all or substantially all of the assets or business of the Company.



## **5.5 RSUs Non-Transferable**

RSUs are non-transferable except to a Permitted Assign. Certificates representing RSUs will not be issued by the Company.

## **5.6 Participation to be Determined by Board; No Additional Rights**

The participation of any Participant in the Plan shall be determined by resolution of the Board. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation. The Company does not assume responsibility for the personal income tax liability or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

## **5.7 No Shareholder Rights**

Under no circumstances shall RSUs be considered Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the award of RSUs. A Participant will acquire rights to Shares in respect of RSUs only upon the allotment and issuance to the Participant of such Shares in accordance with this Plan.

## **5.8 Fractions**

No fractional Share will be issued pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under this Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.

## **5.9 Unfunded and Unsecured Plan**

Unless otherwise determined by the Board, the Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of RSUs under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

## **5.10 Market Fluctuations**

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company makes no representations or warranties to Participants with respect to the Plan or the Shares whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to accept all risks associated with a decline in the market price of Shares.

## **5.11 Participant Information**

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to other

third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

#### **5.12 Indemnification**

Every director of the Company will at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever, including any income tax liability arising from any such indemnification, that such director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the director, otherwise than by the Company, for or in respect of any act done or omitted by the director in respect of administering this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

#### **5.13 Effective Date of the Plan**

This Plan becomes effective on a date to be determined by the Board.

#### **5.14 Governing Law**

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, without regard to principles of conflict of laws.

APPROVED by the Board this \_\_\_\_ day of \_\_\_\_\_, 2016.

APPROVED by the shareholder of the Company this \_\_\_\_ day of \_\_\_\_\_, 2016.

**SCHEDULE A  
RESTRICTED SHARE UNIT PLAN  
FORM OF AWARD NOTICE**

The Company hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Notice ("**Notice**"), together with the provisions of the Restricted Share Unit Plan of the Company (the "**Plan**") dated \_\_\_\_\_, 2016:

Name and Address of Participant: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Participant **IS** [  ] / **IS NOT** [  ] (select one) a U.S. Taxpayer (as defined in the Plan).

Date of Grant: \_\_\_\_\_

Total Number of RSUs:

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. The Participant acknowledges and agrees that her or she has received the Plan and has read and understands the terms of the Plan and agrees to be bound by the terms and conditions of the Plan and the Award Notice. If the agreement and acknowledgement by the Participant at the end of this Award Notice is not received by the Company within fifteen (15) days of the delivery of this Award Notice, the Company shall not credit any RSUs to the Participant's account, unless waived by the Committee, in its sole discretion.
3. Subject to any acceleration in vesting as provided in the Plan, each RSU vests as follows:


4. No fractional Share will be issued upon exercise of a vested RSU pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under the Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.

5. Each notice relating to an award of RSUs, including the acknowledgement in this Award Notice, must be in writing and signed by the Participant or the Participant's legal representative. All notices to the Company must be delivered to the Corporate Secretary of the Company. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.
6. When the issuance of Shares upon exercise of vested RSUs may, in the opinion of the Company, conflict or be inconsistent with any applicable law or any regulations of any regulatory authority having jurisdiction, the Company reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding.
7. As a condition to settling the RSUs in accordance with the Plan, the Company has the right to withhold all applicable taxes. The Company does not assume responsibility for the personal income or other tax consequences of the Participant and has advised the Participant to consult with its own tax advisor.
8. Participant's rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents or documentation that the Committee may determine to be necessary or advisable to administer the Plan.
9. The Company may affix to certificates for Shares issued pursuant to this Award Notice any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws) and may advise the transfer agent to place a stop order against any legended Shares.
10. The Committee shall have full discretion with respect to any actions to be taken or determinations to be made in connection with RSUs under this Award Notice, and its determination shall be final, binding and conclusive.

**SPARTAN ENERGY CORP.**

By: \_\_\_\_\_  
Authorized Signatory

Agreed to and Acknowledged by the Participant, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Name: **[Insert name of Participant]**