



RESERVES, HEALTH, SAFETY & ENVIRONMENT COMMITTEE MANDATE
Adopted by the Board of Directors on October 6, 2022
Revised: July 17, 2024

1 PURPOSE

The primary objective of the Reserves, Health, Safety & Environment Committee (the “**Committee**”) of the board of directors (the “**Board**”) of Cavvy Energy Ltd. (the “**Corporation**”) in discharging its mandate on behalf of the Board is to assist the directors of the Corporation in satisfying their responsibilities in respect of the timely compliance by the Corporation with its disclosure and related obligations under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (“**NI 51-101**”) and the protection by the Corporation of the health and safety of its employees and of the environment. In addition, with the combined effort of the Governance and Human Resources Committee, ensure that the Corporation carries out appropriate environmental and social practices or mandates in the areas in which it operates.

2 COMPOSITION, QUALIFICATION AND APPOINTMENT

- 2.1 The Committee shall consist of three or more Directors appointed by the Board on recommendation of the Governance and Human Resources Committee, at least one of whom should be an individual with experience in oil and gas reserve and resource evaluation practices. The majority of the Directors that are members of the Committee shall be (a) individuals who are not and have not been, during the preceding 12 months: (i) an officer or employee of the Corporation or of an affiliate of the Corporation; (ii) a person who beneficially owns 10% or more of the outstanding voting securities of the Corporation; or (iii) a relative of a person referred to (a)(i) or (ii); and (b) individuals who are free from any business or other relationship which could reasonably be seen to interfere with the exercise of their independent judgment.
- 2.2 Committee members are appointed by the Board. The members of the Committee are appointed promptly after each annual shareholders’ meeting.
- 2.3 Any member of the Committee may be removed or replaced at any time by the Board. A member will cease to be a member of the Committee as soon as such member ceases to be a Director of the Corporation.
- 2.4 Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board on the recommendation of the Committee and will be filled by the Board if the membership of the Committee falls below three (3) directors.
- 2.5 The Chair of the Board (the “**Board Chair**”) shall sit as an *ex-officio*, non-voting member of the Committee.

3 DUTIES AND RESPONSIBILITIES

The Committee shall perform the functions customarily performed by reserves and health, safety and environment committees and any other functions assigned by the Board. In furtherance of its purpose and in addition to such responsibilities as may be required by Applicable Laws, the Committee assumes the following duties and responsibilities.

3.1 Oil and Gas Activities

- (a) Review management's recommendation of the appointment of the independent qualified reserves evaluator or auditor (the "**Evaluator**") to evaluate Pieridae Alberta Production Ltd. ("**PAPL**") reserves and resources, considering the Evaluator's qualifications, performance, and independence.
- (b) Review the terms of the Evaluator's engagement for any evaluation of the reserves and resources of PAPL, including scope of work, schedule of work and delivery of final reports and the proposed fees, and recommend approval of the Evaluator to the Board for final recommendation to the Board of Directors of PAPL.
- (c) Review with reasonable frequency the Corporation's procedures for providing information to the Evaluator.
- (d) Review the Evaluator's report (and any material interim updates of reserves and/or resources in accordance with NI 51--101 requested of the Evaluator) and review all significant changes in scope, assumptions, methodologies, and major revisions from prior year's reports.
- (e) As appropriate, meet with the Evaluator to review any problems experienced by the Evaluator in preparing the reserve and/or resource evaluation (including any restrictions imposed by the Corporation or significant issues on which there was a disagreement with the Corporation) and to discuss any other matters the Committee or the Evaluator wishes to raise.
- (f) Before approving the filing of reserves data and the report of the Evaluator, meet with management of the Corporation and the Evaluator to determine whether any restrictions affect the ability of the Evaluator to report on reserves data without reservation and to review the reserves data and the report of the Evaluator.
- (g) Make recommendations to the Board as to whether to approve the content and filing of Forms 51--101F1 and 51--101F3 under NI 51--101 and the filing of Form 51--101F2 under NI 51--101.
- (h) Provide Reserve information updates to the Corporation's Lenders to fulfil the requirements of the Lender's Asset Coverage Covenants

3.2 Health, Safety, and the Environment ("**HSE**")

- (a) At least annually review and if appropriate recommend to the Board changes to the Corporation's principal HSE corporate policies, which include but may not be limited to:
 - (i) Health and Safety
- (b) Periodically review management's reporting to ensure the Corporation's implementation of, and adherence with, HSE policies and procedures consistent with all laws and regulations existing in the jurisdiction where it operates.
- (c) Review the Corporation's management documentation, to ensure that the Corporation meets regulatory requirements including, when required, disclosure to government authorities of incidents with respect to HSE.
- (d) Consider and review the setting and performance against appropriate targets, metrics, benchmarking, procedures, and reporting methods used by the Corporation to measure its

climate, environmental protection, health and safety performance and other relevant performance.

- (e) Require management to ensure that employees and contractors are aware of the Corporation's policies with respect to HSE matters and expectation to respond to all HSE concerns and matters expeditiously and to bring such concerns to the attention of appropriate management personnel.
 - (f) Ensure that management conduct appropriate internal and external operational health, safety, and environmental audits, and to review these if material issues have been identified.
 - (g) Receive and review reports from management and independent consultants, if any, on the nature of any non-compliance with HSE policies, standards, and applicable legislation.
 - (h) Review reports from management regarding the Corporation's initiatives and opportunities to optimize its environmental protection and health and safety performance including processes to reduce emissions and waste, reduce or substitute energy and water use, and minimize land disturbance.
 - (i) Investigate, or cause to be investigated, any extraordinary negative health, safety, and environmental performance where appropriate, ensure management corrects deficiencies, and reports to the Board on the status of such matters.
 - (j) Make visits, as individual members or as a Committee, to operating locations in order to become familiar with the nature of operations and to review relevant objectives, procedures and performance with respect to HSE matters.
 - (k) Require management to keep it apprised of current and emerging issues and proposed legislation in health, safety, and environmental matters as they may affect the Corporation's operations and bring to the attention of the Board such issues as it determines appropriate.
- 3.3 As appropriate, investigate situations brought to the attention of the Committee through the Whistleblower Policy regarding HSE matters. Environmental, Social and Governance
- (a) Review and recommend to the Governance and Human Resources Committee the HSE Key Performance Indicators ("KPI") to be included in the Corporation's annual ESG report. Ensure the processes and procedures are in place to verify the accuracy and completeness of the Corporation's quantitative reporting of these KPIs.
 - (b) At least annually ensure the Committee and its members remain educated on the latest rules, regulations, industry trends and best practices regarding ESG and climate-related issues specific to the scope of the Committee.

4 PROCEDURAL MATTERS

4.1 Committee Chair

The Board appoints one (1) Committee member to act as its chair (the "**Committee Chair**"), provided that if the Board does not so designate a Committee Chair, the Committee, by a majority vote, may designate a Committee Chair. The Committee Chair may be removed at any time at the discretion of the Board. The incumbent Committee Chair continues in office until (i) a successor is appointed, (ii) he or she is removed by the Board, or (iii) he or she ceases to be a director of the Corporation. If the Committee Chair is absent from a meeting, the Committee will, by majority vote, select another Committee member to preside at that meeting.

The Committee Chair has the following responsibilities and duties.

- (a) Effectively lead the Committee in discharging all duties set out in this Mandate.
- (b) Chair meetings of the Committee.
- (c) Review and provide comments on the agenda for each meeting of the Committee prepared by management and instruct management to ensure that the properly prepared agenda and other meeting materials are circulated to the Committee with sufficient time for review prior to each Committee meeting.
- (d) Ensure that all matters requiring the Committee's review and approval are properly tabled and presented for consideration at Committee meetings and that Committee members are free to express their viewpoints.
- (e) Ensure the Committee meets as frequently as necessary to carry out its duties effectively and ensure that there is sufficient time during Committee meetings to fully discuss all business properly put before the Committee.
- (f) In consultation with management, review the Committee's annual work plan.
- (g) Report to the Board on the matters reviewed by, and on any decisions or recommendations of, the Committee at the next meeting of the Board following any meeting of the Committee.
- (h) Ensure that the Committee works as a cohesive group, including by maintaining effective communication and working relationships between members of the Committee, the Board, management, and advisors.
- (i) Ensure that the resources available to the Committee (in particular, timely and relevant information) are adequate to support its work.
- (j) If requested by the Governance and Human Resources Committee, meet with all Committee members, and seek their feedback on Committee performance and other matters.
- (k) Communicate to the Chair of the Board any issues arising from the Committee meetings that bear on the relationship between the Board and management.
- (l) Carry out any other or special assignments or any functions as may be requested by the Board.

4.2 **Meetings**

- (a) Meetings of the Committee may be called at the request of any member of the Committee or as otherwise required by law. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested. The Committee shall fix its own procedure at meetings and for the calling of meetings. The Committee meets at least each quarter and otherwise as necessary.
- (b) The Chief Executive Officer of the Corporation (or an individual acting in such capacity) and the Board Chair shall receive notice of and have the right to attend and be heard at all meetings of the Committee, except in each case such part of the meeting, if any, which is a private session not involving all or some of these officers as determined by the Committee.

- (c) The Committee shall meet as often as it determines, but not less frequently than quarterly.
- (d) Unless otherwise determined, from time to time, by resolution of the Board, a majority of the Committee constitutes a quorum. No business may be transacted by the Committee except by resolution in writing signed by all the Committee members (whether in writing or electronically) or at a Committee meeting at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communication facilities that permits all participants to communicate adequately with each other during the meeting. At Committee meetings, Committee actions shall require approval of a majority of the votes cast by Committee members, except where only two (2) members are present, in which case any question shall be decided unanimously.
- (e) The Committee meets *in camera*, in the absence of management, at each regularly scheduled meeting.
- (f) The Corporation Secretary will be the secretary of all meetings. If the Corporation Secretary is not in attendance at any meeting, the Committee appoints a secretary to the Committee who need not be a director or officer of the Corporation. Minutes of Committee meetings will be recorded and maintained by the Committee's secretary and will be presented to the Committee Chair for review and approval.
- (g) The Committee may invite such officers, directors, and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee. It is expected that responsible management shall be reporting on particulars at each Committee meeting.

4.3 Reporting to the Board

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

5 DELEGATION

The Committee has the authority to delegate to subcommittees, provided however that the Committee shall not delegate any power or authority required by Applicable Laws to be exercised by the Committee as a whole.

6 INDEPENDENT ADVISORS AND RESOURCES

- 6.1 The Committee may communicate directly with the Corporation's officers and employees and request Corporation information and documentation from these persons.
- 6.2 The Committee may investigate any matter within its scope of responsibility, and obtain full access to all Corporation books, records, facilities, and personnel.
- 6.3 The Committee may, in its sole discretion, engage independent outside counsel and such other advisors as it deems necessary to fulfil its duties and responsibilities under this Mandate. The Committee may set the compensation and oversee the work of any outside counsel and other advisors to be paid by the Corporation.

7 LIMITATION ON DUTIES

Nothing in this Mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard required by law.

8 EVALUATION OF COMMITTEE AND MANDATE

On an annual basis, the Committee shall review and evaluate its performance. In conducting this review, the Committee shall address such matters that the Committee considers relevant to its performance and evaluate whether this Mandate appropriately addresses the matters that are or should be within its scope. The review and evaluation shall be conducted in such a manner as the Committee deems appropriate. Among other things, the Committee shall evaluate and assess the technical literacy of its members. The Committee Chair shall deliver to the Governance and Human Resources Committee Chair a report, which may be oral, setting forth the results of its review and evaluation, including any recommended changes to this Mandate and any recommended changes to the Corporation's or the Board's policies or procedures, as it deems necessary or appropriate.

This Mandate is not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees, or other persons or to any other liability whatsoever on their part.