

# COELACANTH ENERGY INC.

## CHARTER OF THE BOARD OF DIRECTORS

(Adopted by the Board of Directors in November of 2022)

### PURPOSE

The board of directors (the "**Board**") has the responsibility for the overall stewardship of the conduct of the business of Coelacanth Energy Inc. (the "**Corporation**") and the activities of management, which is responsible for the day-to-day conduct of the business. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure that the Corporation meets its obligations on an ongoing basis and to ensure that the Corporation operates in a reliable and safe manner. In performing its functions, the Board will also consider the legitimate interests its other stakeholders such as employees, customers and communities may have in the Corporation. In overseeing the conduct of the business, the Board, through the Chief Executive Officer, shall set the standards of conduct for the Corporation.

### PROCEDURES AND ORGANIZATION

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

### COMPOSITION

The Board shall be composed of a majority of "independent" directors, as such term is defined under applicable securities legislation. The size of the Board shall be such that it will facilitate substantive discussions of the whole Board in which each director can participate meaningfully.

### DUTIES AND RESPONSIBILITIES

The Board's principal duties and responsibilities fall into a number of categories which are outlined below:

#### 1. Legal Requirements

- (a) The Board has the responsibility to ensure that legal requirements have been met and documents and records have been properly prepared, approved and maintained;
- (b) The Board has the statutory responsibility to:
  - (i) manage the business and affairs of the Corporation;
  - (ii) act honestly, in good faith and with a view to the best interests of the Corporation;

- (iii) exercise the care, diligence and skill that reasonable, prudent people would exercise in comparable circumstances; and
  - (iv) act in accordance with its obligations contained in the Act and the regulations thereto, the Corporation's Articles and By-Laws, securities legislation of each province and territory of Canada, and other relevant legislation and regulations.
- (c) Each member of the Board must:
- (i) commit the time and energy necessary to properly carry out his or her duties;
  - (ii) except in the case of extenuating circumstances, attend all regularly scheduled Board and committee meetings, as applicable, in person or by telephone; and
  - (iii) review in advance all meeting materials and otherwise adequately prepare for all regularly scheduled Board and committee meetings, as applicable.
- (d) 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:
- (i) any submission to the shareholders of a question or matter requiring the approval of the shareholders;
  - (ii) the filling of a vacancy among the directors or in the office of auditor;
  - (iii) the issuance of securities;
  - (iv) the declaration of dividends;
  - (v) the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - (vi) the payment of a commission to any person in consideration of his or her purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares;
  - (vii) the approval of management proxy circulars;
  - (viii) the approval of any take-over bid circular or directors' circular;
  - (ix) the approval of financial statements of the Corporation; and
  - (x) the adoption, amendment or repeal of By-laws of the Corporation.

2. **Independence**

The Board has the responsibility to ensure that appropriate structures and procedures are in place to permit the Board to function independently of management. The independent directors may hold meetings at which non-independent directors and members of management are not in attendance if deemed necessary or appropriate.

3. **Strategy Determination**

The Board has the responsibility to ensure that there are long-term goals and a strategic planning process in place for the Corporation and to participate with management directly or through its committees, at least annually, in developing and approving the business goals of the Corporation and the strategic plan by which it proposes to achieve its goals, which strategic plan takes into account, among other things, the opportunities and risks of the Corporation's business.

4. **Managing Risk**

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

5. **Division of Responsibilities**

The Board has the responsibility to:

- (a) appoint and delegate responsibilities to committees where appropriate to do so and hereby establishes six standing committees of the Board: an Audit Committee, a Compensation Committee, a Reserves Committee, a Corporate Governance Committee, a Health Safety & Environment (HSE) Committee, and an Environment, Social & Governance (ESG) Committee; each committee shall be composed entirely of independent directors or a majority of independent directors, as deemed appropriate, and each committee shall have a written charter; and
- (b) develop the mandate/position descriptions for:
  - (i) the Board;
  - (ii) the Chair of the Board (and of the committees, if deemed necessary);
  - (iii) the Lead Director (if deemed necessary);
  - (iv) the Chief Executive Officer;
  - (v) the Chief Financial Officer;
  - (vi) the Chief Operating Officer; and
  - (vii) the Corporate Secretary.

## 6. **Appointment, Training and Monitoring Senior Management**

The Board has the responsibility to:

- (a) appoint the Chief Executive Officer, to monitor and assess the Chief Executive Officer's performance and satisfy itself as to the integrity of the Chief Executive Officer, to determine the Chief Executive Officer's compensation and to provide advice and counsel in the execution of the Chief Executive Officer's duties;
- (b) approve the appointment of all officers, acting upon the advice of the Chief Executive Officer;
- (c) approve the remuneration of all officers in consultation with the Chief Executive Officer to the extent not delegated to the compensation committee;
- (d) ensure that adequate provision has been made to appoint, train and develop management and for the orderly succession of management; and
- (e) ensure that management is aware of the Board's expectations of management, including that management will, among other things:
  - (i) review continuously the Corporation's strategies and their implementation in light of evolving conditions;
  - (ii) present a comprehensive annual operating plan and budget and report regularly on the Corporation's performance and results relative to that plan and budget;
  - (iii) report regularly on the Corporation's business and affairs, with a focus on matters of material consequence to the Corporation;
  - (iv) implement systems to identify and manage the principal risks of the Corporation's business;
  - (v) implement and maintain appropriate systems of internal control; and
  - (vi) implement and maintain appropriate disclosure controls and procedures.

## 7. **Policies, Procedures and Compliance**

The Board has the responsibility, either as a whole or through committees of the Board, to:

- (a) ensure that the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
- (b) monitor and confirm compliance with significant policies and procedures by which the Corporation is operated;
- (c) ensure that the Corporation sets high environmental standards in its operations and has appropriate systems and procedures in place to ensure and confirm compliance with environmental laws and legislation;

- (d) ensure that the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace;
- (e) ensure that the Corporation develops an approach to compensation for directors and officers;
- (f) ensure that the Corporation develops an approach to corporate governance, including developing a set of corporate governance principles and guidelines;
- (g) approve incentive or equity based compensation plans, recommend any amendments thereto and approve all grants thereunder; and
- (h) approve the content and filing of the information required to be filed under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

## 8. **Reporting and Communication**

The Board has the responsibility to:

- (a) ensure that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally, including overseeing the effectiveness of the disclosure and confidentiality policy;
- (b) ensure that the financial performance of the Corporation is adequately reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (c) ensure that the financial results are reported fairly and in accordance with generally accepted accounting standards, consistently applied;
- (d) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation;
- (e) report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year; and
- (f) develop appropriate measures for receiving shareholder feedback.

## 9. **Monitoring and Acting**

The Board has the responsibility to:

- (a) monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (b) take action when performance falls short of its goals and objectives or when other special circumstances warrant;

- (c) ensure that the Corporation has implemented adequate internal control and management information systems which ensure the effective discharge of its responsibilities to the extent not delegated to the audit committee;
- (d) make regular assessments of the Board's effectiveness; and
- (e) review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Board.

10. **Meetings**

The Chair shall be responsible for developing the agenda and determining the time, place and frequency of Board meetings. Meetings of the Board will be conducted in accordance with the By-laws of the Corporation.