

Parex Resources Inc.
Corporate Governance and Nominating Committee Mandate

1. Overall Purpose & Objectives

A standing committee of the Board of Directors (the "**Board**") of Parex Resources Inc. (the "**Corporation**") consisting of members of the Board is hereby appointed by the Board from amongst its members and complying with all other legislation, regulations, agreements, articles and policies to which the Corporation and its business is subject is hereby established and designated as the Corporate Governance and Nominating Committee (the "**Committee**").

In addition to any other duties and responsibilities specifically delegated to it by the Board, the Committee has the general responsibility for developing the Corporation's approach to Corporate Governance and from time to time, will review and make recommendations to the Board as to such matters consistent with applicable regulatory requirements and guidelines.

The Committee shall assist the Board in fulfilling its oversight responsibilities, by:

- overseeing that the Corporation's corporate governance system is effective and meets regulatory requirements;
- assessing and making recommendations regarding Board and committee mandates and performance;
- providing ongoing training and development for directors as required; and
- establishing a process for identifying, recruiting, appointing, and electing directors of the Corporation.

As the Corporation is a reporting issuer under applicable securities laws the Board adopts the following Mandate for the Committee which reflects, among other things, compliance with stock exchange and legal requirements and guidelines for corporate governance practice and disclosure within the Corporation.

2. Composition

- (a) This Committee shall be composed of at least three individuals appointed by the Board from amongst its members.
- (b) A member of the Committee shall be appointed Chairman of the Committee (the "**Chair**") by the Board.
- (c) All members of the Committee shall be Board members who are not members of management of the Corporation. Subject to certain exemptions that may be available under applicable securities legislation, all members of the Committee must be "independent", as defined in National Instrument 52-110 – *Audit Committees* as adopted by the Canadian Securities Regulatory Authorities.
- (d) Members should have or obtain sufficient knowledge of the Corporation's business, operations, the objectives and goals as detailed in the Corporation's strategic plan, as well as the Corporation's corporate governance procedures and guidelines.

- (e) A member shall cease to be a member of the Committee upon ceasing to be a director of the Corporation or upon ceasing to be "independent".

3. Meetings

- (a) A quorum shall be a majority of the members of the Committee. The Committee shall meet as deemed appropriate by the Chair, but in any event, no less than semi-annually. Special meetings may be convened as required upon the request of the Committee or the officers of the Corporation.
- (b) Effective agendas, with input from Management, shall be circulated to Committee members and relevant Management personnel along with background information on a timely basis prior to the Committee meetings.
- (c) Minutes of each meeting shall be prepared.
- (d) The meetings and proceedings of the Committee shall be governed by the provisions of the by-laws of the Corporation that regulate meetings and proceedings of the Board.
- (e) The Committee may invite such officers, directors and employees of the Corporation, any external advisors or consultants as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.

4. Reporting / Authority

- (a) Following each meeting, the Chair will report to the Board.
- (b) The Committee shall provide the Board with a summary of all meetings together with a copy of the minutes from such meetings. All information reviewed and discussed by the Committee at any meeting shall be retained and made available for examination by the Board upon request to the Chair.
- (c) Supporting schedules and information reviewed by the Committee shall be available for examination by any Director.
- (d) The Committee shall have the authority to investigate any activity of the Corporation falling within the terms of this Mandate, and may request any employee of the Corporation to cooperate with any request made by the Committee, including any investigation in accordance with the Corporation's Whistleblower Policy.
- (e) The Committee may retain external persons having special expertise and obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation and approve the terms of retainer and the fees payable to such parties.

5. Duties and Responsibilities

- (a) **Corporate Governance**

- (i) Biennially review the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable.
- (ii) Assess the adequacy of the Corporation's corporate governance.
- (iii) Monitoring and overseeing the implementation by the Corporation of appropriate corporate governance structures and procedures, including the identification of new corporate governance structures and procedures requiring approval of the Board and, where appropriate, approval of shareholders.
- (iv) Periodically receive from Management, or from advisors to the Committee, reports on corporate governance developments relevant to the Corporation required or recommended by applicable securities reporting regulations.
- (v) Be responsible that the corporate governance policies and procedures adopted by the Corporation comply with stock exchange and legal requirements and guidelines.
- (vi) Assess the adequacy of and monitor compliance with all significant policies and procedures which govern the Corporation's operations, including the Code of Conduct and related policies, the Whistleblower Policy, the Anti-Bribery and Anti-Corruption Policy and the Disclosure Policy and be responsible for Management having a system in place to effectively communicate these policies to all employees.
- (vii) Take the steps necessary to address and resolve all complaints reported to the Corporation and/or the Committee in accordance with the Corporation's Whistleblower Policy.

(b) **Board Development**

- (i) Periodically review and evaluate:
 - (1) the size, composition, form of compensation and committees of the Board, taking into consideration: (A) the current strengths, skills and experience of the Board; (B) current time demands on directors; (C) proposed retirements of directors; and (D) the strategic direction of the Corporation.
 - (2) the structure and mandates of any Board committees, and position descriptions for the Chairs thereof, and where advisable, recommend any amendments thereto, as well as the establishment or disbanding of Board committees and changes to their composition including the Chairs thereof;
 - (3) the mandate of the Board and the fulfillment of such mandate;
 - (4) assess independence of each director and overall director qualifications.

(5) the Board nominees for election as members of the Board, in consultation with the Chair of the Board and the Chief Executive Officer of the Corporation. Nominations of members of the Board will be based on the merits of the candidates, in the context of the skills, experience and independence which the Board requires in order to be effective and, which the Board considers to be in the best interest of the Corporation.

(ii) As required:

(1) develop and approve director and committee eligibility criteria and identify individuals qualified to become Board and committee members, consistent with criteria approved by the Board;

(2) review the retention and termination of any search firms used to identify Director candidates and the Committee shall have the sole authority to approve the search firms' fees and other retention terms;

(3) recommend candidates for appointment to the office of Chair of the Board;

(4) review concerns of individual directors about matters that are not readily or easily discussed at full Board meetings, thereby providing opportunity for the Board to operate independently of Management and effectively as a group;

(5) review the need to implement a director orientation process and ongoing director education program and review the adequacy of any education program put into place by the Corporation; and

(6) review and approve service of directors and Management on other company board or management teams.

(7) review and assess the adequacy of the Board of Directors' Skills Matrix.

(8) review and assess the adequacy of policies relating to minimum levels of share holdings within the Corporation for Directors and Officers.

(c) **Performance Assessment**

(i) Assess the adequacy of and oversee the annual evaluation of the performance of the Board of Directors as a whole, and the Committees, including their processes and effectiveness.

(ii) Review annually with the Chairman of the Board, the performance of the Lead Director of the Corporation.

(iii) Review annually with the Lead Director, the performance of the Chairman of the Board of Directors.

- (iv) Annually, in conjunction with the Chairman of the Board of Directors, evaluate performance of individual Directors, including the processes and effectiveness of each committee and the Board.

6. Enterprise Risk Management (“ERM”)

- (a) Review and assess the identification and management on ERM matters pertaining to the Corporate Governance and Nominating Committee.

7. Other Duties and Responsibilities

- (a) Review conflict of interest reports.
- (b) Periodically review policies and procedures implemented by the Corporation in respect of conflict of interest policies, insider trading policies, and corporate ethics, and be responsible for the fact that such policies comply with the Corporation's Corporate Governance Guidelines, as well as all applicable laws and regulations.
- (c) The Committee shall be available to meet with any member of Management or any employee of the Corporation who wishes to raise any concern with respect to conflicts of interest and ethical issues.
- (d) The responsibilities, practices and duties of the Committee outlined herein are not intended to be comprehensive. The Board may, from time to time, charge the Committee with the responsibility of reviewing items of a corporate governance, or Board development in nature.
- (e) The Committee shall periodically report to the Board the results of reviews undertaken and any associated recommendations.
- (f) As applicable, review and assess the Corporation's policies related to director term limits, and representation of women on the Board.
- (g) Periodically review policies and procedures implemented by the Corporation pertaining to Corporate Governance and Nominating matters to determine if there is timely and adequate disclosure in accordance with all applicable laws and regulations.

8. Mandate Review

The Board shall review this Mandate every other year, or more frequently as may be determined necessary by the Board, to verify that it is achieving its purpose.

9. Authorization

This Mandate is hereby approved on behalf of the Board this 4th day of October, 2017.

Robert J. Engbloom
Chairman of the Corporate Governance and Nominating Committee
Parex Resources Inc.

Wayne Foo
Chairman of the Board of Directors
Parex Resources Inc.