

**Storm Resources Ltd.**  
Suite 600, 215 – 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 1M4



**INFORMATION CIRCULAR**  
**for the Annual General Meeting of the Holders of Common Shares**  
**to be held on Wednesday, May 13, 2020**

THIS INFORMATION CIRCULAR (the “**Circular**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF STORM RESOURCES LTD. (the “**Corporation**”) for use at the annual general meeting of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation to be held solely by means of remote communication via webcast at <https://zoom.us/j/446730461> and teleconference at 1-855-703-8985 (Canada Toll Free), 1-888-475-4499 (U.S. Toll Free) or 1-877-853-5257 (U.S. Toll Free), Meeting ID 446730461, on Wednesday, May 13, 2020 at 3:30 p.m. (Calgary time), and any and all adjournments or postponements thereof (the “**Meeting**”), for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

The Corporation is continuously monitoring the current coronavirus (COVID-19) outbreak. In light of the rapidly evolving news and guidelines related to COVID-19, the Corporation has decided to host the Meeting solely by means of remote communication. The Corporation reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Shareholders are encouraged to monitor the Corporation’s website at <https://www.stormresourcesltd.com/> or the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com), where copies of such press releases, if any, will be posted. You are advised to check the Corporation’s website one week prior to the Meeting date for the most current information. The Corporation does not intend to prepare an amended Circular in the event of changes to the Meeting format. **All Shareholders are strongly encouraged to vote prior to the Meeting by any of the means described under the heading “Completion of Proxies” below, as in-person voting at the time of the Meeting will not be possible.**

Unless otherwise specified, the information contained herein is given as at March 31, 2020.

**SOLICITATION OF PROXIES**

**The solicitation of proxies is made on behalf of the management of the Corporation.** Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone. The cost of solicitation will be borne by the Corporation. All currency amounts expressed herein, unless otherwise indicated, are expressed in Canadian dollars.

**RECORD DATE**

The record date for the Meeting is April 1, 2020 (the “**Record Date**”). Any Shareholder of record at the close of business on the Record Date who either attends the Meeting or has completed and delivered a form of proxy in the manner and subject to the provisions described below will be entitled to vote or to have his or her Common Shares voted at the Meeting. To the extent that a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date, the transferee of such Common Shares shall not be entitled to vote such Common Shares unless the transferee produces properly endorsed share certificates, or otherwise establishes that they own the Common Shares and requests, not later than 10 days before the Meeting, that their name be included on the Shareholder list before the Meeting, in which case the transferee shall be entitled to vote their Common Shares at the Meeting.

**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: (i) fixing the number of directors for the ensuing year; (ii) the election of directors; (iii) the appointment of the auditor of the Corporation

(including in the resolution granting the authority for the directors to fix the remuneration of the auditor); (iv) the approval, on a non-binding advisory basis, of the Corporation's approach to executive compensation; and (v) any other matter which may properly come before the Meeting.

The persons named in the enclosed form of proxy (the "**Form of Proxy**") are the President and Chief Executive Officer and the 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 THE 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.**

The Form of Proxy must be dated and signed by the registered Shareholder, or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the Form of 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 Form of Proxy.

In order to be effective, the Form of 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: (i) mailed so as to be deposited at the office of the Corporation's transfer agent, Alliance Trust Company, 1010, 407 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 2Y3; or (ii) completed online at [www.alliancetrust.ca/shareholders/](http://www.alliancetrust.ca/shareholders/), not later than 48 hours preceding the time of the Meeting or deposited with the Chairman of the Meeting on the day of the Meeting via email at [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca) 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 Form of Proxy is not dated, it will be deemed to bear the date on which it was mailed to Shareholders by management of the Corporation.

#### **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 EACH 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. As of the date hereof, 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.

#### **REVOCATION OF PROXIES**

A Shareholder or intermediary who has submitted a Form of 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 deposited with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting at [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca), and upon such deposit the previous Form of Proxy is revoked.

## ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many public Shareholders of the Corporation, as a substantial number of the public Shareholders of the Corporation do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Circular as “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 name 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 nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and nominees are prohibited from voting Common Shares for their clients. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy, except as set forth below.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the Form of Proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder 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. (“BFSI”). BFSI typically prepares its own proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to BFSI. BFSI then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy from BFSI cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to BFSI well in advance of the Meeting in order to have the Common Shares voted.**

**IF YOU ARE A BENEFICIAL SHAREHOLDER AND WISH TO VOTE AT THE TIME OF THE MEETING, PLEASE CONTACT YOUR BROKER OR AGENT WELL IN ADVANCE OF THE MEETING TO DETERMINE HOW YOU CAN DO SO.**

### 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. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are 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 will not use procedures known as “stratification” in relation to the use of the Notice-and-Access Provisions, meaning that both registered and Beneficial Shareholders will be mailed a notification of availability of Meeting materials directing them to those websites where they can access the Circular and other relevant information (the “**Notice-and-Access Notification**”). If you receive the Notice-and-Access Notification and would like to receive a paper copy of the Circular and other relevant information, please follow the instructions printed on the Notice-and-Access Notification and the materials will be mailed to you. All materials will be forwarded to Shareholders at the Corporation’s expense.

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 does not intend to pay for intermediaries to forward the Notice-and-Access Notification to Beneficial Shareholders who have objected to their intermediary/broker disclosing ownership information about them pursuant to applicable securities laws (“**Objecting Beneficial Shareholders**”). Consequently, an Objecting Beneficial Shareholder will not receive the Notice-and-Access Notification unless the Objecting Beneficial Shareholder’s intermediary/broker 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 System for Electronic Document Analysis and Retrieval (“**SEDAR**”) by: (i) calling Alliance Trust Company at 403-237-6111 or toll free at 1-877-537-6111; (ii) by emailing a request to [inquiries@alliancetrust.ca](mailto:inquiries@alliancetrust.ca); or (iii) online at the following websites: [www.stormresourcesltd.com](http://www.stormresourcesltd.com) 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 April 29, 2020 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.

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

Except as disclosed in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, 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 any associates or affiliates of any of the foregoing in any matter to be acted on at the Meeting.

### VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares, and an unlimited number of preferred shares, issuable in series. As at March 31, 2020, an aggregate of 121,556,812 Common Shares were issued and outstanding and no preferred shares were issued or outstanding. Shareholders are entitled to one vote for each Common Share held.

The by-laws of the Corporation provide that if one person holding not less than 5% of the issued Common Shares entitled to vote is present at the Meeting, a quorum for the purposes of conducting a Shareholders’ meeting is constituted.

Any registered Shareholder at the close of business on the Record Date who either 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 the form of proxy will be entitled to vote the Common Shares represented by that form only if the form of proxy is effectively delivered in the manner set out under the heading “*Completion of Proxies*” in this Circular.

To the best of the knowledge of the directors and officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control or discretion over more than 10% of the voting rights attached to voting securities of the Corporation other than as set out in the table below.

Name	Number of Common Shares Owned or Controlled	Percentage of Class
Libra Advisors, LLC <sup>(1)</sup>	17,270,700 Common Shares	14.21%
Canoe Financial LP <sup>(2)</sup>	15,496,257 Common Shares	12.75%
Connor, Clark & Lunn Investment Management Ltd. <sup>(3)</sup>	15,257,622 Common Shares	12.55%

**Notes:**

- (1) Based on Alternative Monthly Early Warning Report filed by Libra Advisors, LLC under the Corporation’s SEDAR profile on April 3, 2020.
- (2) Based on Form 62-103F3 filed by Canoe Financial LP under the Corporation’s SEDAR profile on January 8, 2020.
- (3) Based on Form 62-103F3 filed by Connor, Clark & Lunn Investment Management Ltd. under the Corporation’s SEDAR profile on March 9, 2020.

## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the years ended December 31, 2019 and 2018, together with the auditor's reports thereon, were mailed to the Shareholders who have requested such financial statements in accordance with applicable securities laws, and will be placed before the Shareholders at the Meeting. The financial statements are also available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the board of directors of the Corporation (the "**Board**" or "**Board of Directors**"). If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

### 2. Fixing the Number of Directors

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 and By-Laws of the Corporation, be fixed at nine. There are presently nine directors of the Corporation, the terms of office of which expire at the Meeting.

**IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE RESOLUTION FIXING THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR AT NINE, UNLESS OTHERWISE DIRECTED.**

### 3. Election of Directors

Action is to be taken at the Meeting with respect to the election of directors. The Board of Directors presently consists of nine members. It is proposed that the under mentioned persons will be nominated at the Meeting.

The Board of Directors adopted a majority voting policy (the "**Majority Voting Policy**") effective September 19, 2017, pursuant to which, in an uncontested election of directors, a director who receives more "withhold" votes than "for" votes at the annual meeting of Shareholders will promptly tender his or her resignation to the Chair of the Board, to be effective upon acceptance by the Board. The Compensation, Governance and Nomination Committee (the "**Compensation Committee**") will consider the director's offer to resign and make a recommendation to the Board whether to accept it. The Board will be expected to accept the resignation except in situations in which exceptional circumstances warrant the applicable director continuing to serve on the Board. Following the Board's decision on the resignation, the Board will promptly disclose its decision whether to accept the director's resignation offer including the reasons for rejecting the resignation offer, if applicable, by issuing a news release. Any director who tenders his or her resignation pursuant to the Majority Voting Policy may not participate in any portion of a meeting of the Board (or, if applicable, any committee of the Board, if he or she is a member of that committee) to consider the decision whether to accept his or her resignation.

Shareholders should note that, as a result of the Majority Voting Policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election.

**IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF THE FOLLOWING PERSONS TO THE BOARD OF DIRECTORS UNLESS OTHERWISE DIRECTED. MANAGEMENT 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 DOES NOT STAND FOR ELECTION OR IS UNABLE TO SERVE AS SUCH, THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, RESERVE THE RIGHT TO VOTE FOR ANY OTHER NOMINEE IN THEIR SOLE DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING ON THE ELECTION OF DIRECTORS.**

Each director elected will hold office until the next annual meeting of the Corporation or until a successor is duly elected or appointed, unless the director vacates office earlier in accordance with the Corporation's by-laws. The following information relating to the nominees as directors is based partly on the Corporation's records and partly on information received by the Corporation from said nominees, and sets forth the name and city of residence of each of the persons proposed to be nominated for election as a director, principal occupation at present, all other

positions and offices held in the Corporation, the year first elected as a director, and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by such person.

Nominees as Directors	Position Presently Held	Director Since	Principal Occupation for Previous Five Years	Common Shares Beneficially Owned or Controlled as of March 31, 2020 <sup>(5)</sup>
Stuart G. Clark <sup>(1)</sup> Calgary, Alberta	Chairman and Director	June 8, 2010	Independent businessman.	4,493,868
Brian Lavergne Calgary, Alberta	President, Chief Executive Officer and Director	June 8, 2010	President and Chief Executive Officer of the Corporation.	3,194,145
Matthew J. Brister <sup>(2)(3)</sup> Calgary, Alberta	Director	June 8, 2010	Independent businessman. December 2013 – June 2017: Chairman of the Board of Chinook Energy Inc. (“Chinook”).	2,324,666
John A. Brussa <sup>(6)</sup> Calgary, Alberta	Director	June 8, 2010	Chairman at Burnet, Duckworth & Palmer LLP.	622,866
Mark A. Butler <sup>(1)(2)(4)</sup> Calgary, Alberta	Director	June 8, 2010	Independent businessman.	287,506
Sheila A. Leggett <sup>(3)(4)</sup> Calgary, Alberta	Director	July 11, 2018	Chair of Board for International Standards Organization (ISO) Technical Committee 207 Environmental Management; and Chair of Board for Telus Spark.	17,453
Gregory G. Turnbull, QC <sup>(3)(6)</sup> Calgary, Alberta	Director	June 8, 2010	Partner at McCarthy Tétrault LLP.	375,998
P. Grant Wierzba <sup>(2)(3)</sup> Calgary, Alberta	Director	June 8, 2010	Independent businessman. November 2004 – August 2019: Director of Chinook.	495,363
James K. Wilson <sup>(1)(4)</sup> Calgary, Alberta	Director	June 8, 2010	July 2017 – Present: Managing Director of Walwil Resources Ltd.; September 2015 – June 2017: Chief Financial Officer and Corporate Secretary of Aspenleaf Energy Limited; February 2013 – September 2015: Managing Director of Walwil Resources Ltd.	108,600

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Compensation, Governance and Nomination Committee.
- (3) Member of the Reserves, Environment, Health and Safety Committee (the “Reserves Committee”).
- (4) Holds ICD.D director certification from the Institute of Corporate Directors.
- (5) In addition to Common Shares, the directors (other than Mr. Lavergne whose option holdings are disclosed on page 17 hereof) each own options to purchase Common Shares as detailed on page 20 hereof. All options have a four-year term and vest in one-third tranches over three years.
- (6) Mr. Brussa is Chairman of Burnet, Duckworth & Palmer LLP and Mr. Turnbull is a partner at McCarthy Tétrault LLP, both of which are law firms that received fees for the provision of legal services to the Corporation for the year ended December 31, 2019. The Compensation Committee and the Board have reviewed and considered this relationship and determined that it does not interfere with the exercise of Mr. Brussa’s or Mr. Turnbull’s independent judgment in their roles as members of the Board.

**Skills Matrix**

The Compensation Committee has established the following skills matrix outlining the skills and experience which they believe are required by the members of the Board. This skills matrix is reviewed annually by the Compensation Committee and updated as necessary. The Compensation Committee also annually reviews the skills and experience of the directors and assesses the knowledge and character of all nominees to the Board to ensure general compliance with the skills matrix.

<b>SKILLS MATRIX</b>	
<b>Executive Leadership</b>	Experience as a CEO or equivalent.
<b>Enterprise Risk Assessment</b>	Board or executive experience in evaluating and managing risks in the oil and natural gas business.
<b>Value Creation</b>	Board or executive experience in evaluating, and executing on, value creation opportunities through acquisitions, divestitures, mergers or developmental opportunities.
<b>Health, Safety &amp; Environment</b>	Board or management experience with environmental compliance and workplace health and safety in the oil and gas industry.
<b>Operations</b>	Management experience with oil and natural gas operations.
<b>Reserves Evaluation</b>	Board experience with, or management responsibility for, oil and natural gas reserve evaluation and reporting.
<b>Compensation and Human Resources</b>	Management experience in human resources and executive compensation.
<b>Accounting &amp; Finance</b>	Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience.
<b>Legal, Regulatory and Governmental</b>	Broad understanding of corporate, securities, land tenure, and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, and incentive and taxation policies usually through management experience or a legal background.
<b>Corporate Governance</b>	Broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer.

The following outlines the experience and background of, but not necessarily the technical expertise of the Corporation's directors who are seeking re-election, or election, at the Meeting, based on information provided by such individuals:

Name	Executive Leadership	Enterprise Risk Assessment	Value Creation	Health, Safety & Environment	Operations	Reserves Evaluation	Compensation and Human Resources	Accounting & Finance	Legal, Regulatory and Governmental	Corporate Governance
Stuart G. Clark	✓	✓	✓	-	✓	-	✓	✓	-	✓
Brian Lavergne	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Matthew J. Brister	✓	✓	✓	✓	✓	✓	✓	-	✓	✓
John A. Brussa	✓	✓	✓	-	-	✓	✓	✓	✓	✓
Mark A. Butler	✓	✓	✓	-	-	-	✓	✓	✓	✓
Sheila A. Leggett	✓	✓	✓	✓	-	✓	✓	-	✓	✓
Gregory G. Turnbull, QC	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
P. Grant Wierzba	✓	✓	✓	✓	✓	✓	✓	-	-	✓
James K. Wilson	✓	✓	✓	-	-	-	✓	✓	✓	✓
<b>Total</b>	9/9	9/9	9/9	5/9	4/9	6/9	9/9	6/9	7/9	9/9

### *Corporate Cease Trade Orders or Bankruptcies*

Except as set forth herein, none of the proposed directors are, or have been, within 10 years prior to the date of this Circular, a director or chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as set forth herein, none of the proposed directors are, or have been, within 10 years prior to the date of this 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. Gregory G. Turnbull, a director of the Corporation, was a director of Sonde Resources Corp. ("**Sonde**"), a Canada-based diversified global energy company, which filed for bankruptcy on February 2, 2015. Mr. Turnbull resigned as a director of Sonde prior to that on March 27, 2014. Mr. Turnbull resigned as a director of Porto Energy Corp. ("**Porto**") on May 30, 2014 following the decision by Porto's directors and management to wind down Porto's operations due to capital constraints. Porto subsequently has become subject to cease trade orders for failure to file periodic disclosure (interim financial filings) and such cease trade orders remain in effect.

Mr. John A. Brussa, a director of the Corporation, resigned as a director of Calmena Energy Services Inc. ("**Calmena**") on June 30, 2014. On January 19, 2015, a senior lender of Calmena (the "**Senior Lender**") made an application to the Court of Queen's Bench of Alberta (the "**Court**") to appoint an interim receiver under the *Bankruptcy and Insolvency Act* (Canada) and trading in the common shares of Calmena was suspended by the Toronto Stock Exchange. On January 20, 2015, the Senior Lender was granted a receivership order by the Court. Mr. Brussa was a director of Enseco Energy Services Corp. ("**Enseco**"), a public oilfield service company, which was placed in receivership on October 14, 2015 and, in connection therewith, a receiver was appointed under the *Bankruptcy and Insolvency Act* (Canada). Mr. Brussa resigned as a director of Enseco on October 14, 2015. On December 21, 2015, Enseco was assigned into bankruptcy by the receiver. Mr. Brussa was a director of Argent Energy Ltd. which was the administrator of Argent Energy Trust. On February 17, 2016, Argent Energy Trust and its Canadian and United States holding companies (collectively, "**Argent**") commenced proceedings under the *Companies' Creditors Arrangement Act* ("**CCAA**") for a stay of proceedings until March 19, 2016. On the same date, Argent filed voluntary petitions for relief under Chapter 15 of the *United States Bankruptcy Code* ("**Chapter 15**"). On March 9, 2016, the stay of proceedings under the CCAA was extended until May 17, 2016. Additionally, on March 10, 2016, the U.S. Bankruptcy Court approved an order recognizing the CCAA as the foreign main proceedings under Chapter 15. Mr. Brussa resigned as a director of Argent Energy Ltd. on June 30, 2016. Mr. Brussa resigned as a director of Twin Butte Energy Ltd. ("**Twin Butte**") on September 1, 2016. On September 1, 2016, the senior lenders of Twin Butte (the "**Senior Lenders**") made an application to the Court to appoint a receiver and manager over the assets, undertakings and property of Twin Butte under the *Bankruptcy and Insolvency Act* (Canada) and trading in the common shares of Twin Butte was suspended by the Toronto Stock Exchange. On September 1, 2016, the Senior Lenders were granted a receivership order by the Court. Mr. Brussa was a director of Virginia Hills Oil Corp. ("**VHO**"), an oil and gas company listed on the TSX Venture Exchange (the "**TSX-V**"). On February 13, 2017, VHO received a demand notice and notice of intention to enforce security from its lenders and agreed to consent to the early enforcement of the lenders' security and the appointment of a receiver over all of the current and future assets, undertakings and properties of VHO. The receiver was appointed on February 13, 2017. Mr. Brussa resigned as a director of VHO on February 24, 2017.



### *Penalties or Sanctions*

None of the proposed directors has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### *Personal Bankruptcies*

None of the proposed directors has, within the 10 years before the date of this Circular, become 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 the assets of the proposed director.

## **4. Appointment of Auditor**

Ernst & Young LLP, Chartered Professional Accountants, of Calgary, Alberta, have acted as the Corporation's auditor since April 12, 2011. It is proposed that Ernst & Young LLP be appointed as auditor of the Corporation for the ensuing year, until the next annual meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

**IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE APPOINTMENT OF ERNST & YOUNG LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, OF CALGARY, ALBERTA, AS THE AUDITOR OF THE CORPORATION, TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF THE SHAREHOLDERS, AT A REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS, UNLESS OTHERWISE DIRECTED.**

## **5. Approval of the Corporation's Approach to Executive Compensation**

The Board believes that compensation programs must be sound, fair, competitive with the market and support the Corporation's strategy and progress. The Board recognizes the increased scrutiny of executive compensation generally and believes that Shareholders should have the opportunity to fully understand executive compensation objectives, philosophy and principles, and have a say on the Corporation's approach to executive compensation. Shareholders are encouraged to review the Executive Compensation section of this Circular which provides specific executive salaries and awards and discusses the Corporation's executive compensation philosophy and approach and how respective levels of compensation are determined.

The Board and management of the Corporation wish to provide Shareholders with a non-binding advisory vote at the Meeting, which will provide Shareholders with the opportunity to vote for or against the Corporation's approach to executive compensation through the following resolution:

**"BE IT RESOLVED THAT**, on an advisory basis and not to diminish the role and responsibilities of the Board, the Shareholders accept the approach to executive compensation disclosed in the management information circular of the Corporation dated March 31, 2020 and delivered in advance of the 2020 annual general meeting of Shareholders."

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will consider the outcome of the vote as part of its ongoing review of executive compensation. The Board believes that it is essential for Shareholders to be well informed of the Corporation's approach to executive compensation and considers this advisory vote to be an important part of the ongoing process of engagement between Shareholders and the Board. The Corporation will disclose the results of the Shareholder advisory vote as part of its report on voting results for the Meeting.

In the event that the advisory resolution is not approved by a majority of the votes cast at the meeting, the Board will consult with Shareholders (particularly those who are known to have voted against it) to understand their

concerns and will review the Board's approach to executive compensation in the context of those concerns. Results from the Board's review, if necessary, will be discussed in the Corporation's management information circular for the annual meeting of shareholders of the Corporation to be held in 2021.

**IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE EXECUTIVE COMPENSATION POLICY OF THE CORPORATION.**

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The objectives of the Corporation's executive compensation policy are to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long term interests of the Corporation's Shareholders. Compensation of all executive officers is based on the underlying philosophy that such compensation should be competitive with other corporations of similar size and should be reflective of the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. Short-term compensation, including base salaries and annual performance bonus, is used to attract and retain employees. Long-term compensation, including the Corporation's stock option plan (the "**Stock Option Plan**") and the employee stock savings plan ("**ESSP**"), is used to reward longer term growth in asset value per Common Share. The Corporation's compensation policy is reviewed and examined by the Compensation Committee.

The Compensation Committee considered the implications of the risks associated with the Corporation's compensation policies and practices and did not identify any risks arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation. See "*Executive Compensation – Compensation Governance*" in this Circular.

Executive officer compensation consists of four components: (i) base salary; (ii) the ESSP; (iii) annual performance bonus; and (iv) the Stock Option Plan, with the latter three components being at-risk remuneration. Storm's executive compensation philosophy is based on encouraging a higher relative level of share ownership with cash compensation (base salaries and annual performance bonus) targeting the 25<sup>th</sup> to 50<sup>th</sup> percentile of Storm's peer group.

Each component of the Corporation's executive officer compensation arrangements is briefly described below.

#### *Base Salaries*

Base salaries of the executive officers of the Corporation are primarily based on the salaries at peer surveyed companies in the oil and gas industry. Comparative data provided by an independent third party is also reviewed. Generally, base salary compensation targets the 50<sup>th</sup> percentile. The base salaries of the named executive officers (as defined below) are not determined based on benchmarks, performance goals or a specific formula.

The companies included in Storm's peer group had similar levels of production (10,000 to 30,000 barrels of oil equivalent per day), complexity of operations and do not pay a dividend. The peer group companies used as a reference in determining 2019 salaries for the executive officers were Bellatrix Exploration Ltd., BlackPearl Resources Inc., Crew Energy Ltd., Delphi Energy Corp., Gear Energy Ltd., Ikkuma Resources Corp., Journey Energy Inc., Kelt Exploration Ltd., NuVista Energy Ltd., Perpetual Energy Inc., Petrus Resources Ltd., Pine Cliff Energy Ltd., Raging River Exploration and Tamarack Valley Energy Ltd.

Retention of named executive officers is a risk considered by the Compensation Committee. The Compensation Committee is of the view that the personal investment of these individuals in the Corporation provides considerable incentive for them to remain as officers of the Corporation.

### *Employee Stock Savings Plan*

The ESSP is designed to encourage employees, including the officers of the Corporation, and directors of the Corporation to invest in Common Shares which results in longer term alignment of employee and Shareholder interests.

Under the ESSP, employees of the Corporation are provided with an opportunity to purchase Common Shares, through regular payroll deductions. The ESSP is a voluntary plan open to all eligible employees. All permanent full-time and part-time employees are considered to be eligible employees and are allowed to participate in the ESSP once they have completed a three-month probationary period.

A participant may contribute, by semi-monthly payroll deductions, a maximum of 8% of the participant's regular salary towards the purchase of Common Shares. The Corporation will contribute an additional amount equal to 1.5 times the employee's contribution, which contribution will be combined with the employee's contribution to purchase Common Shares. In addition, employees may contribute up to 45% of any annual performance bonus paid to them for investment under the ESSP; the Corporation will contribute an additional amount equal to 0.4 times the employee's contribution to acquire Common Shares of the Corporation.

Each director of the Corporation may contribute up to a maximum of 45% of the fees payable to such director for the services rendered as a director of the Corporation for investment under the ESSP. The Corporation will contribute an amount of funds equal to 1.0 times the director's contribution, which contribution will be combined with the director's contribution to acquire Common shares of the Corporation.

Common Shares will be purchased by a trustee on a semi-monthly basis through the facilities of the Toronto Stock Exchange (the "TSX").

The Corporation's contributions vest to the respective participant immediately on the contribution being made by the Corporation; however, there is a 12-month restriction on withdrawal or sale of Common Shares acquired under the ESSP.

The Corporation is responsible for carrying out the administration of the ESSP and establishes rules from time to time for the administration of the ESSP. The Corporation is responsible for the payment of any fees or charges incurred in the operation of the ESSP, including payments to the administrator, counsel and other agents employed by the Corporation in connection with the operation of the ESSP.

### *Annual Performance Bonus*

The Compensation Committee recommends specific performance objectives which are approved by the Board and then used along with its experience and judgment in assessing the performance of the executive officers to determine bonuses for the executive officers. The annual performance bonus is designed to reward contributions toward the achievement of the Corporation's goals. The annual performance bonus, if any, is paid after year-end results have been reviewed and approved by the Board of Directors.

The annual performance bonus is expected to range from 0% to 60% of an executive officer's base salary. The size of the bonus as a percentage of salary is dependent on the number of corporate performance targets achieved and to what extent funds flow increased year over year (non-controllable). If corporate performance targets are not met, there is no annual performance bonus paid.

The following are the targets set by the Board on March 1, 2018 which were used in assessing the performance of the executive officers in respect of the 2018 annual performance bonus that was paid in March 2019. The targets were achieved with an overall score of 100/100.

	Target	Weighting	Results	Score
<b>Growth in PDP PV<sub>10</sub> per Share</b> (year over year change in InSite Petroleum Consultants Ltd.'s reserve evaluation PDP PV <sub>10</sub> with the previous year's evaluation re-run using the current year's commodity price forecast, after deducting debt, and using shares outstanding at year-end)	15% to 25% growth	25%	Growth was 73%	25/25
<b>Growth in Debt-Adjusted Production per Share</b> (comparing 2018 to 2017 yearly average with debt held flat year over year by increasing/decreasing shares outstanding using the year-end share price)	15% to 25% growth	25%	Growth was 38% on a debt-adjusted, per-share basis (2018 year-end debt of \$91 million was increased to match 2017 year-end debt of \$106 million by buying back 8.6 million shares at \$1.74 per share)	25/25
<b>Capital Efficiency</b> <ul style="list-style-type: none"> <li>Operations capex</li> </ul>	Meet guidance		Initial capex guidance \$55 - \$90 million in November 2017 to grow to average 20,000 to 23,000 Boe/d in 2018. Actual capex \$85 million with 20,538 average Boe/d in 2018. Actual capex for 2018 included \$11 million for the Nig Gas Plant that was not included in original capex guidance	25/25
<ul style="list-style-type: none"> <li>PDP recycle ratio (using field netback including hedging)</li> </ul>	>1.5x	25%	Recycle ratio was 2.5x	
<ul style="list-style-type: none"> <li>1P and 2P recycle ratio (using field netback including hedging)</li> </ul>	>1.8x		1P was 2.2x 2P was 2.6x	
<ul style="list-style-type: none"> <li>Facility expansions</li> </ul>	On time/on budget		Expansions were on time and on budget	
<b>Operating Costs Plus Cash G&amp;A per Boe</b>	5% to 10% reduction	15%	2018 operating costs plus cash G&A was 11% lower than 2017	15/15
<b>Health, Safety and Environment</b>	Highest industry standard	10%	No major incidents or lost-time accidents	10/10
				<b>TOTAL SCORE = 100/100</b>

### Stock Option Plan

Key to the Corporation's long-term incentive compensation program is its Stock Option Plan. Directors, officers and employees of the Corporation are eligible to participate in the Stock Option Plan. As of December 31, 2019, all of the Corporation's employees and directors participated in the Stock Option Plan. Awards are granted at varying levels depending on the individual's level of responsibility within the Corporation. All awards are approved by the Board of Directors.

The Stock Option Plan is intended to reward long-term growth in asset value per share, thereby aligning employee and Shareholder interests over the longer term.

The process that the Corporation uses to grant stock options ("Options") to the named executive officers, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the responsibility level of the named executive officers, the number of Options available for grant under the Stock Option Plan, the number of Options anticipated to be required to meet the future needs of the Corporation, as well as the number of Options previously granted to each of the named executive officers. It is the full Board, as opposed to the Compensation Committee, which determines the need for any amendments to the Stock Option Plan and it is the full Board which approves Option grants to be made under the Stock Option Plan. The CEO and the Compensation Committee provide input and recommendations to the Board regarding the granting of Options, from time to time. The CEO, in turn, and where appropriate, also obtains input from other executive officers of the Corporation when providing his input and recommendations. The grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

### Description of Plan

Pursuant to the policies of the TSX, the Corporation is permitted to maintain a “rolling” stock option plan. On August 16, 2010, the Shareholders first approved the Stock Option Plan. On May 17, 2012, May 13, 2016, May 17, 2017 and May 16, 2018, the Shareholders approved amended versions of the Stock Option Plan.

A summary of the amended Stock Option Plan is described below. Shareholders are encouraged to review the full text of the Stock Option Plan, as amended and restated, which was attached as Appendix B to the Corporation’s management information circular dated as of March 29, 2018 and is available on the Corporation’s website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com) and SEDAR profile at [www.sedar.com](http://www.sedar.com).

### Eligibility

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

### Administration

The Stock Option Plan is administered by the Board of Directors 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. Previous grants are taken into account when considering new grants.

### Exercise Price

The exercise price of Options granted under the Stock Option Plan is 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. Disinterested Shareholder Approval (as such term is defined in the Stock Option Plan) is required for the reduction of the exercise price of any Options.

### Burn Rate

The Corporation’s burn rate, calculated in accordance with Section 613(p) of the TSX Company Manual, under the Stock Option Plan was 0.3% in fiscal 2017, 4.1% in fiscal 2018, and 2.5% in fiscal 2019. Management expects that the burn rate in fiscal 2020 will be approximately 2.0%. The burn rate is subject to change from time to time, based on the number of Options granted and the number of Common Shares issued and outstanding. The burn rate for a given period is calculated by dividing the number of Options granted under the Stock Option Plan during the applicable fiscal year by the weighted average of Common Shares outstanding during such period.

### 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 amended Stock Option Plan and all other security based compensation arrangements of the Corporation, excluding compensation arrangements which do not involve the issuance of securities from the Corporation’s treasury, such as the ESSP, is 10% of the Common Shares outstanding from time to time, subject to the following limitations:

1. the aggregate number of Common Shares reserved for issuance to any one person under the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, within a 12-month period, must not exceed 5% of the outstanding issue of Common Shares (on a non-diluted basis);
2. the aggregate number of Common Shares reserved for issuance to any one insider (as defined in the Stock Option Plan) and such insider’s associates pursuant to the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, must not exceed 5% of the outstanding issue of Common Shares;

3. the aggregate number of Common Shares that may be issued to insiders pursuant to the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, within a 12 month period, must not exceed 10% of the outstanding issue of Common Shares;
4. the aggregate number of Common Shares reserved for issuance to insiders pursuant to the Stock Option Plan, together with all other security based compensation arrangements of the Corporation, at any time, must not exceed 10% of the outstanding issue of Common Shares;
5. the aggregate number of Common Shares reserved for issuance to any one participant employed to provide investor relations activities (as defined in the Stock Option Plan) within a 12-month period, must not exceed 2% of the outstanding issue of Common Shares; and
6. the aggregate value of Common Shares reserved for issuance to any one non-employee director in any calendar year under all security based compensation arrangements of the Corporation shall not exceed \$150,000, of which no more than \$100,000 may be issued as Options under the Stock Option Plan.

#### Transferability

The Options are not assignable or transferable by a participant, except for a limited right of assignment in the event of the death of the participant.

#### Term and Vesting

The term of Options granted shall be determined by the Board in its discretion, to a maximum of four 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 Option agreement in respect of any Options granted, accelerate or provide for the acceleration of vesting of Options previously granted.

#### Early Expiration

Unless otherwise provided in an agreement evidencing the grant of Options, Options shall terminate at the earlier of: (i) the close of business 30 days after the participant ceasing (other than by reason of death or termination with cause) to be at least one of an officer, director or employee of the Corporation in active employment carrying out regular and normal duties; (ii) the close of business 30 days after the participant has been provided with written notice of dismissal related to (i) above; and (iii) the expiry date of the Option. If before the expiry of an Option in accordance with the terms thereof a participant ceases to be an employee, officer or director by reason of the death of the participant, any unvested portion of such 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 or at any time before 5:00 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 and Termination

In the event of both: (i) a Change of Control (as defined in the Stock Option Plan) occurring; and (ii) a participant's service with the Corporation being either: (a) involuntarily terminated without Cause (as defined in the Stock Option Plan); or (b) voluntarily terminated for Good Reason (as defined in the Stock Option Plan) within one month prior to or 12 months following the date of a Change of Control, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options, for a period of time ending on the earlier of the expiry time of the Option and the later of the 30th day following the Change of Control and the termination.

#### Voluntary Black-Out Periods

The Corporation has adopted a policy on trading in the securities of the Corporation which includes self-imposed black-out periods from time to time, preventing officers, directors, and employees in certain circumstances, from exercising Options. For example, these black-out periods are imposed prior to the release of quarterly and annual

reports to Shareholders 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 was adopted as part of the Corporation's approach to responsible governance. However, the imposition of voluntary black-out periods can penalize the Corporation and its insiders and key employees where their Options have not been exercised prior to the voluntary black-out period and where such Options would expire during such period.

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

#### Amendment to Stock Option Plan

The Board may amend or discontinue the Stock Option Plan at any time without the consent of the participants provided that such amendment shall not alter or impair any Option previously granted under the Stock Option Plan except as permitted by the provisions of the Stock Option Plan and provided further that such amendment or discontinuance has been approved, if required, by the TSX. However, the Board is not entitled to amend the amendment provisions of the Stock Option Plan without the approval of the TSX as well as Disinterested Shareholder Approval (as defined in the Stock Option Plan). In addition, the Board may not amend the Stock Option Plan or any Option previously granted under the Stock Option Plan without the approval of the TSX and Disinterested Shareholder Approval in the event such amendment would: (i) reduce the exercise price of an Option; (ii) extend the expiry date of an Option other than as contemplated by Section 4.5 of the Stock Option Plan; (iii) permit Options to be transferable or assignable other than for normal estate settlement purposes; (iv) remove or exceed the limitations on the maximum number of Common Shares reserved for issuance to insiders or non-employee directors; or (v) increase the maximum number of Common Shares that may be issued upon the exercise of Options granted under the Stock Option Plan.

As at March 31, 2020, an aggregate of 12,155,681 Common Shares (10% of the issued and outstanding Common Shares) was available for issuance under the Stock Option Plan. Of this amount, Options in respect of 10,212,100 Common Shares have been issued (8.4% of the issued and outstanding Common Shares), of which all were unexercised at March 31, 2020.

As at March 31, 2020, there remained Options in respect of 1,943,581 Common Shares which are available for future Option grants under the Stock Option Plan.

#### *Compensation Governance*

The Compensation Committee exercises general responsibility regarding overall employee and executive officer compensation. It determines the total compensation of the Chief Executive Officer, subject to Board approval. The Compensation Committee meets with the Chief Executive Officer to review all other salaries and compensation items, but direct approval of these salaries and compensation items is approved by the Board annually in the overall general and administrative expense budget.

The Compensation Committee identifies and mitigates compensation policies and practices that could encourage executives to take inappropriate or excessive risks, including through: (i) structuring compensation policies and practices similarly for all executive officers and employees; (ii) avoiding narrowly focused performance goals which may encourage loss of focus on providing long-term Shareholder return; and (iii) weighting long-term incentives towards share ownership and vesting long term incentives over a number of years.

The Compensation Committee is comprised of three members: Mark A. Butler (Chairman), Matthew J. Brister and P. Grant Wierzba. Each of the members of the Compensation Committee is an independent director and is ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Stock Option Plan and ESSP. Each has extensive experience as both director and officer with various public companies in the design and implementation of executive and employee compensation plans. The skills and experience possessed by members of the Compensation Committee acquired as a result of their lengthy and extensive business or professional careers will assist and enable them to make decisions on the suitability of the Corporation's compensation policies and practices.

### Share Ownership Guidelines

The Board has not adopted share-ownership guidelines given that the existing levels of insider ownership already align the interests of the Board and management with shareholders of the Corporation. As at the date hereof, the officers and directors, as a group, held, directly or indirectly, or exercise control or direction over 15,176,660 Common Shares representing approximately 12.5% of the issued and outstanding Common Shares. The Corporation's executives are eligible to participate in the same ESSP as employees, which further promotes share ownership.

### Anti-Hedging Policy

On February 28, 2019, the Corporation adopted a written anti-hedging policy (the "**Anti-Hedging Policy**") that prohibits a named executive officer or director, among others, from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchange funds, that are designed to or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by the named executive officer or director.

In addition, pursuant to the Anti-Hedging Policy governing insider trading, short-term speculative trading of the Common Shares by officers, directors and employees is strongly discouraged as it conflicts with the best interests of the Corporation and its Shareholders. Consequently, insiders including the Corporation's executive officers, directors and their related persons, are not only discouraged from frequently trading the Common Shares, but are also specifically prohibited from short selling any Common Shares and from trading in any derivative instruments involving the Corporation's securities. Management is not aware of any named executive officer or director purchasing such an instrument related to the Common Shares.

### Summary Compensation Table

The following table provides a summary of compensation earned by: (i) the Chief Executive Officer; (ii) the Chief Financial Officer; (iii) each of the five most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would qualify under item (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 that financial year (collectively, the "**named executive officers**").

Name and position	Year	Salary (\$)	Share- based awards (\$)	Option- based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)			All other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
					Annual incentive plans (\$) <sup>(3)</sup>	Long-term incentive plans (\$)	Pension value (\$)		
Brian Lavergne <sup>(1)</sup> President and Chief Executive Officer	2019	280,560	-	82,700	104,000	-	-	33,700	500,960
	2018	264,000	-	262,800	70,000	-	-	31,700	628,500
	2017	243,600	-	-	19,200	-	-	29,200	292,000
Michael J. Hearn Chief Financial Officer	2019	255,000	-	82,700	104,000	-	-	30,600	472,300
	2018	240,000	-	174,500	70,000	-	-	29,000	513,500
	2017	220,000	-	171,000	3,650	-	-	24,200	418,850
Robert S. Tiberio Chief Operating Officer	2019	280,560	-	102,600	124,000	-	-	33,700	540,860
	2018	264,000	-	325,900	90,000	-	-	31,700	711,600
	2017	243,600	-	-	24,000	-	-	29,200	296,800
Jamie P. Conboy Vice President, Geology	2019	255,000	-	82,700	72,000	-	-	34,800	444,500
	2018	240,000	-	262,800	55,000	-	-	38,500	596,300
	2017	220,000	-	-	17,200	-	-	29,400	266,600
H. Darren Evans Vice President, Exploitation	2019	255,000	-	92,700	104,000	-	-	48,700	500,400
	2018	240,000	-	294,300	80,000	-	-	42,900	657,200
	2017	220,000	-	-	24,000	-	-	30,600	274,600



Name and position	Year	Salary (\$)	Share- based awards (\$)	Option- based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)			All other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
					Annual incentive plans (\$) <sup>(3)</sup>	Long-term incentive plans (\$)	Pension value (\$)		
Bret A. Kimpton Vice President, Production	2019	255,000	-	82,700	104,000	-	-	48,700	490,400
	2018	240,000	-	262,800	70,000	-	-	41,000	613,800
	2017	220,000	-	-	17,200	-	-	29,400	266,600
Emily Wignes Vice President, Finance	2019	255,000	-	82,700	104,000	-	-	30,600	472,300
	2018	240,000	-	174,500	70,000	-	-	29,000	513,500
	2017	220,000	-	171,200	1,825	-	-	22,000	415,025

**Notes:**

- (1) Mr. Lavergne is an executive director of the Corporation. No amounts were paid to Mr. Lavergne for his role as a director of the Corporation.
- (2) The grant date fair value for the option-based awards is the same as the financial statement fair value.
- (3) This represents cash bonuses paid to each of the named executive officers during the respective calendar year for individual and corporate performance relating to the prior year. For example, the payment in 2019 represents the cash bonus for performance in 2018.
- (4) Included are contributions made by the Corporation on behalf of each named executive officer to the ESSP. The ESSP is described under the heading "Executive Compensation – Employee Stock Savings Plan" in this Circular. Perquisites and other personal benefits do not exceed \$25,000 annually for any of the named executive officers.

**Incentive Plan Awards**

*Outstanding Option-Based Awards*

The following table provides a summary of option-based awards outstanding at December 31, 2019.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in- the-money options <sup>(1)</sup> (\$)
Brian Lavergne President and Chief Executive Officer	120,000	5.43	December 13, 2020	-
	150,000	2.86	January 3, 2022	-
	150,000	1.81	December 11, 2022	-
	150,000	1.48	December 10, 2023	24,000
Michael J. Hearn Chief Financial Officer	180,000	4.90	November 1, 2020	-
	105,000	4.15	March 1, 2021	-
	100,000	2.86	January 3, 2022	-
	99,000	1.81	December 11, 2022	-
	150,000	1.48	December 10, 2023	24,000
Robert S. Tiberio Chief Operating Officer	150,000	5.43	December 13, 2020	-
	186,000	2.86	January 3, 2022	-
	186,000	1.81	December 11, 2022	-
	186,000	1.48	December 10, 2023	29,760
Jamie P. Conboy Vice President, Geology	120,000	5.43	December 13, 2020	-
	150,000	2.86	January 3, 2022	-
	150,000	1.81	December 11, 2022	-
	150,000	1.48	December 10, 2023	24,000
H. Darren Evans Vice President, Exploitation	120,000	5.43	December 13, 2020	-
	168,000	2.86	January 3, 2022	-
	168,000	1.81	December 11, 2022	-
	168,000	1.48	December 10, 2023	26,880
Bret A. Kimpton Vice President, Production	120,000	5.43	December 13, 2020	-
	150,000	2.86	January 3, 2022	-
	150,000	1.81	December 11, 2022	-
	150,000	1.48	December 10, 2023	24,000

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Emily Wignes	180,000	5.50	December 1, 2020	-
Vice President, Finance	105,000	4.15	April 1, 2021	-
	100,000	2.86	January 3, 2022	-
	99,000	1.81	December 11, 2022	-
	150,000	1.48	December 10, 2023	24,000

**Note:**

(1) Calculated based on the difference between the closing price of \$1.64 per Common Share on the TSX on December 31, 2019 and the exercise price of the Options, multiplied by the number of Common Shares under Option.

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

The following table provides a summary of the incentive plan awards earned during the period ended December 31, 2019, by the named executive officers.

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation – Annual Incentive Plans – Value earned during the year (\$)
Brian Lavergne President and Chief Executive Officer	-	104,000
Michael J. Hearn Chief Financial Officer	-	104,000
Robert S. Tiberio Chief Operating Officer	-	124,000
Jamie P. Conboy Vice President, Geology	-	72,000
H. Darren Evans Vice President, Exploitation	-	104,000
Bret A. Kimpton Vice President, Production	-	104,000
Emily Wignes Vice President, Finance	-	104,000

**Note:**

(1) The dollar value that would have been realized if the Options had been exercised based on the difference between the market price per Common Share at the vesting date and the exercise price.

The Stock Option Plan is described under the heading “*Executive Compensation – Stock Option Plan*” in this Circular. Details regarding the number of securities and exercise prices are described under the heading “*Executive Compensation – Incentive Plan Awards*” in this Circular.

**Incentive Compensation Clawback Policy**

The Board of Directors adopted a written incentive compensation clawback policy (the “**Clawback Policy**”) on February 28, 2019 to ensure that the Board and the Compensation Committee are able to take direct, appropriate action to rectify or prevent the unjust enrichment of any member of senior management who, through his or her misconduct improperly receives incentive compensation beyond what he or she would, in the absence of such misconduct, have otherwise been entitled to receive.

The Clawback Policy generally provides that if the Corporation is required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement under the law as a result of misconduct, certain award repayment would be required. Specifically, the executive officer must reimburse the Corporation for any incentive award made to him or her on the basis of having met or exceeded specific targets for performance periods occurring in whole or in part during the 12-month period following the first public issuance or filing with the securities regulatory authorities (whichever first occurs) of the financial document embodying such erroneous financial reporting results.

## Pension Plan Benefits

The Corporation has no pension or retirement plans for its directors, officers or employees.

## Termination and Change of Control Benefits

The Corporation does not have any written employment agreements in respect of the named executive officers.

## Director Compensation

In designing a compensation program for non-executive directors, the Board's objective is to ensure that the Corporation attracts and retains highly qualified, committed and talented members of the Board with an extensive and relevant breadth of experience, as well as to align the interests of directors with those of its Shareholders.

The Board sets the compensation of non-executive directors based on the Compensation Committee's recommendations. The Compensation Committee annually reviews the compensation of non-executive directors and recommends to the Board such adjustments as it considers appropriate and necessary to recognize the workload, time commitment and responsibility of the Board and committee members and to remain competitive with director compensation trends in Canada.

There are three components to director compensation: (i) cash fees, paid as compensation for the time commitment; (ii) Options, which align the interests of directors and Shareholders over the longer term (intended to reward long-term growth in asset value per share); and (iii) participation in the ESSP. Approximately 75% of director compensation is targeted to be "at risk".

In 2019, non-executive directors received an annual retainer of \$25,000 payable quarterly, received a per-meeting fee of \$1,000 and were reimbursed for expenses incurred by them in attending directors' meetings and committee meetings. In addition, the Chairman and Chairman of the Audit Committee each received an additional \$10,000, and the Chairman of the Reserves Committee and Chairman of the Compensation Committee each received an additional \$2,500 for acting in those positions.

Each director of the Corporation may contribute up to a maximum of 45% of directors' fees payable to such director for purchase of Common Shares under the ESSP. The Corporation will contribute an amount equal to 1.0 times the director's contribution, which will be combined with the director's contribution to purchase Common Shares under the ESSP. There is a 12-month restriction on withdrawal or sale of Common Shares acquired under the ESSP.

The following table provides a summary of compensation the non-executive directors earned during the period ended December 31, 2019.

Name	Fees Paid (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(2)</sup>	Total (\$)
Stuart G. Clark	43,000	-	23,200	-	-	19,350	85,550
Matthew J. Brister	32,000	-	23,200	-	-	14,400	69,600
John A. Brussa	31,000	-	23,200	-	-	13,950	68,150
Mark A. Butler	37,500	-	23,200	-	-	16,875	77,575
Sheila A. Leggett	30,000	-	23,700	-	-	13,500	67,200
Gregory G. Turnbull	30,000	-	23,200	-	-	13,500	67,200
P. Grant Wierzba	34,500	-	23,200	-	-	15,555	73,255
James K. Wilson	43,000	-	23,200	-	-	-	66,200

### Notes:

- (1) The grant date fair value for the option based awards is the same as the financial statement fair value.
- (2) Contributions made by the Corporation on behalf of each director to the ESSP. The ESSP is described under the heading "Executive Compensation – Employee Stock Savings Plan" in this Circular. Perquisites and other personal benefits do not exceed \$7,000 annually for any of the named directors.

The following table provides a summary of option-based awards outstanding at December 31, 2019 for non-executive directors.

Name	Number of securities underlying unexercised options (\$)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Stuart G. Clark	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720
Matthew J. Brister	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720
John A. Brussa	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720
Mark A. Butler	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720
Sheila A. Leggett	51,000	3.09	July 11, 2022	-
	39,000	1.81	December 11, 2022	-
	43,000	1.48	December 10, 2023	6,880
Gregory G. Turnbull	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720
P. Grant Wierzba	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720
James K. Wilson	33,000	5.43	December 13, 2020	-
	42,000	2.86	January 3, 2022	-
	42,000	1.81	December 11, 2022	-
	42,000	1.48	December 10, 2023	6,720

**Note:**

(1) Calculated based on the difference between the closing price of \$1.64 per Share on the TSX on December 31, 2019 and the exercise price of the Options, multiplied by the number of Common Shares under option.

The following table provides a summary of the incentive plan awards earned during the period ended December 31, 2019, by non-executive directors.

Name	Option-based awards – value vested during the year(\$) <sup>(1)</sup>
Stuart G. Clark	-
Matthew J. Brister	-
John A. Brussa	-
Mark A. Butler	-
Sheila A. Leggett	-
Gregory G. Turnbull	-
P. Grant Wierzba	-
James K. Wilson	-

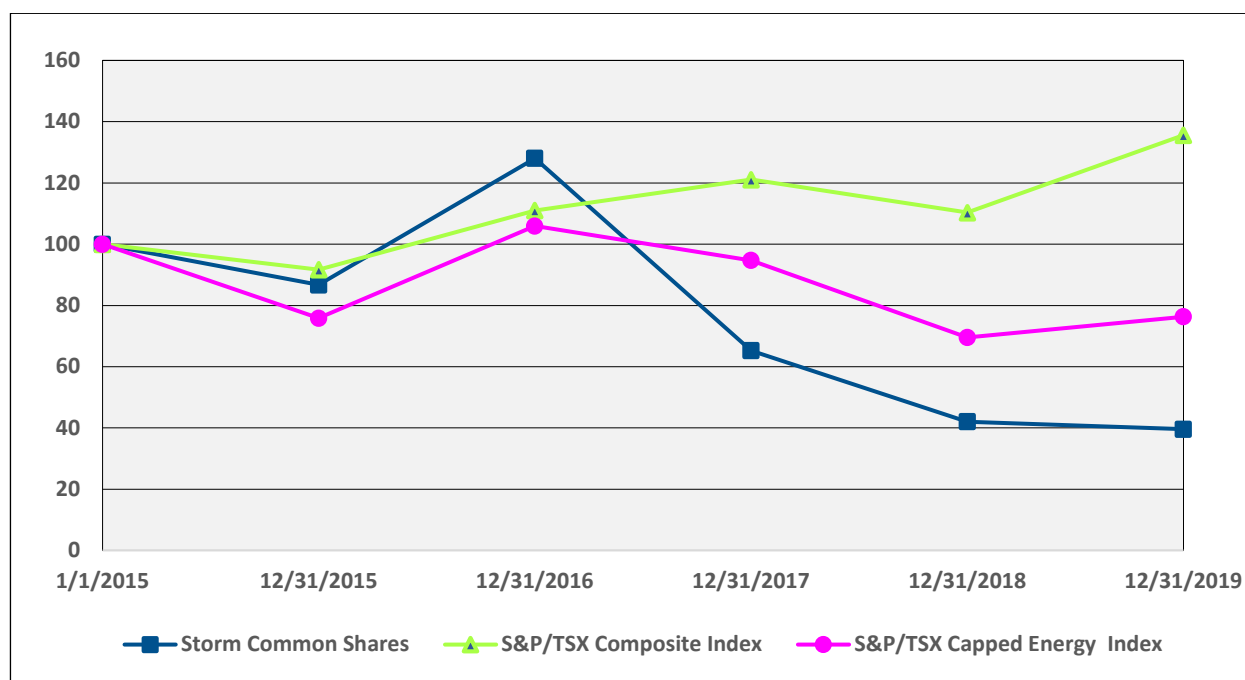
**Note:**

(1) The dollar value that would have been realized if the Options had been exercised based on the difference between the market price per Common Share at the vesting date and the exercise price.

The Stock Option Plan is described under the heading “*Executive Compensation – Stock Option Plan*” in this Circular. Details regarding the number of securities and exercise prices are described under the heading “*Director Compensation*” in this Circular.

**Performance Graph**

The following performance graph illustrates Storm’s cumulative Shareholder return over the five most recently completed financial years (which includes periods in which the Common Shares were listed on the TSX-V), assuming an initial \$100 investment in the Common Shares, compared to the cumulative return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index. The Corporation graduated from the TSX-V to the TSX on September 27, 2017. The closing price for the Common Shares on the TSX on December 31, 2019 (the last trading day in the Corporation’s most recently completed financial year) was \$1.64.



	January 1, 2015	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	Average Annual Return
Storm Common Shares	100	86.71	128.02	65.22	42.03	39.61	-16.9%
S&P/TSX Composite Index	100	91.68	111.01	121.11	110.34	135.59	6.3%
S&P/TSX Capped Energy Index	100	75.87	105.95	94.71	69.55	76.33	-5.3%

The trading price of the Common Shares is subject to fluctuation based on several factors, many of which are outside the control of the Corporation. These include, but are not limited to, fluctuations and volatility in commodity price markets for crude oil, natural gas and natural gas liquids, input costs relating to products used in connection with the Corporation's services, global economic conditions, changes in government, environmental policies, legislation and royalty regimes, and other factors, some of which are disclosed and discussed under the heading "Risk Factors" in the Corporation's annual information form dated March 30, 2020 (the "AIF").

The trend shown in the above graph does not necessarily correspond to the Corporation's compensation to its named executive officers for the period ended December 31, 2019 or for any prior fiscal periods. The Corporation's executive compensation is reviewed annually and is set by the Board upon the recommendation of the Compensation Committee. In connection with its determination of appropriate levels of compensation, the Compensation Committee and the Board consider a number of factors, all of which are discussed under "Executive Compensation – Compensation Discussion and Analysis".

In setting the compensation program for the Corporation, the Compensation Committee and the Board also examine and consider executive compensation levels relative to its industry peer groups, as discussed under "Executive Compensation – Compensation Discussion and Analysis", many of which do not necessarily correspond to the market or trading price of such industry peers' securities.

### MANAGEMENT CONTRACTS

The Corporation has not entered into any management contracts.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at December 31, 2019, aggregated for all compensation plans previously approved by the Shareholders and all compensation plans not previously approved by the Shareholders.

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders <sup>(1)</sup>	10,188,100	\$2.74	1,967,581
Equity compensation plans not approved by security holders	Nil	Nil	Nil
<b>Total</b>	<b>10,188,100</b>	<b>\$2.74</b>	<b>1,967,581</b>

**Note:**

(1) The Corporation has a Stock Option Plan. The Stock Option Plan is described under the heading "Executive Compensation – Stock Option Plan" in this Circular. As at March 31, 2020, a total of 1,943,581 Common Shares remained available for future issuance under the Stock Option Plan. The Corporation currently has no other equity compensation plans which have been approved by the Shareholders.

## INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As at March 31, 2020, there exists no indebtedness of any of the directors or named executive officers to the Corporation.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein and as disclosed in the AIF, 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 or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries. See "*General Development of the Business – Year-Ended 2019*" and "*Material Contracts*" in the AIF.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**") came into force on June 30, 2005. These Guidelines address such matters as the constitution and independence of boards of directors, the functions to be performed by boards and their committees, and the relationship between boards of directors, management and Shareholders. The Board of Directors and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The recommended disclosure is set out in matrix form and attached to this Circular as Appendix A. Given the history and nature of the Corporation's development, not all of the recommendations contained in the Guidelines have been followed. Disclosure respecting the Corporation's approach to corporate governance is set out below and in Appendix A hereto.

## MANDATE OF THE BOARD AND POSITION DESCRIPTIONS

The Board of Directors has adopted a written mandate, attached hereto as Appendix B, that summarizes, among other things, the Board's duties and responsibilities. The Board of Directors is generally responsible for the management and strategic direction of the Corporation. The primary responsibility of the Board is to promote the best interests of the Corporation for the benefit of its Shareholders. This responsibility includes: (i) approving annual capital expenditure budgets and general and administrative expense budgets and reviewing fundamental operating, financial and other corporate plans, strategies and objectives; (ii) outlining key operating parameters including debt levels and ratios; (iii) evaluating the performance of the Corporation and senior management; (iv) determining, evaluating and fixing the compensation of executive officers; (v) adopting policies of corporate governance and conduct; (vi) considering risk management matters and hedging policies; (vii) reviewing the process of providing appropriate financial and operational information to Shareholders and the public generally; and (viii) evaluating the overall effectiveness of the Board. The Board explicitly acknowledges its responsibility for the stewardship of the Corporation. The Board reviews with management matters of strategic planning, business risk identification, succession planning, communications policy and integrity of internal control and management information systems. The Board fulfils its responsibilities through regular meetings. It meets a minimum of four times per year. In addition, the Board meets at such other times as may be required if it is not possible to deal with the Corporation's business at a regularly scheduled meeting.

The Corporation has formal position descriptions for the Chairman of the Board and the Chief Executive Officer which can be viewed on the Corporation's website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com). The Board does not have written position descriptions for the Chair of each Board committee. For further information, including a description of each individual's respective duties, see "*Appendix A – Statement of Corporate Governance Practices*".

The Chairman of the Board presides at meetings of the Board and the Shareholders, provides leadership to the Board and assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation, works with management to schedule 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 Board committee works with management to schedule meetings of such committees 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.

## COMPOSITION OF THE BOARD OF DIRECTORS

### Independence of Members of the Board

The Guidelines recommend that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the issuer. A "material relationship" means a relationship which could, in the view of the issuer's board of directors, reasonably interfere with the exercise of a member's independent judgement. Section 1.4 of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") contains further detail regarding the meaning of "independence" and "material relationship".

Based on these definitions, eight of Storm's nine existing directors are independent directors. Mr. Lavergne (President and Chief Executive Officer) is the only board member who is not independent. Mr. Lavergne is not considered independent since he serves as an executive officer of the Corporation. The Chairman of the Board, Mr. Stuart Clark, is an independent director.

Although Mr. Brussa is Chairman of Burnet, Duckworth & Palmer LLP and Mr. Turnbull is a partner at McCarthy Tetrault LLP, both of which provided legal services to, and received fees from, the Corporation in the year ended December 31, 2019, the Compensation Committee and the Board of Directors do not consider such relationship to be a material relationship which could reasonably be expected to interfere with the exercise of independent judgment for the purposes of NI 58-101. Based on review of NI 52-110, Messrs. Brussa and Turnbull are limited partners that have no active role in providing legal services to the Corporation or the Board, are not involved in any billing matters between their respective firms and the Corporation, and the Board does not consider that the fees payable by the Corporation to either firm could reasonably be expected to interfere with Mr. Brussa's or Mr. Turnbull's exercise of independent judgment. The legal fees paid by the Corporation to the two firms for the year ended December 31, 2019 totaled \$0.1 million which is not material relative to the value of Mr. Brussa's and Mr. Turnbull's combined shareholdings of approximately 1.0 million Common Shares as detailed on page 6 of this Circular.

### Orientation and Continuing Education

All new directors are provided with copies of all Board and committee mandates and policies, the Corporation's by-laws, pertinent corporate information and other reference materials and are introduced to senior management and the other directors of the Corporation. Although the Board and management encourages directors to be apprised of developments in the oil and gas industry and expects directors to keep up-to-date with the Corporation's business and affairs, the Board is of the view that formal continuing education programs for directors are not required by virtue of the fact that the nominated directors have the necessary experience and expertise required to satisfy their duties and responsibilities. The orientation and education process is reviewed from time to time and will be revised accordingly as circumstances warrant.

### Ethical Business Conduct

The directors are of the view that a culture of strong corporate governance and ethical business conduct must be endorsed by the Board and the Corporation's executive officers. The Corporation has a written code of business conduct and ethics (the "**Code**") for its directors, officers and employees which has been approved by the Board and distributed to all directors, officers and employees. A copy of the Code can be found on the Corporation's website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com) and under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). The Board has delegated to senior management the responsibility for day to day monitoring of compliance with the Code and the Code has a provision to allow reports of concerns, complaints or breaches to be made directly to the Chair of the Audit Committee. Any waivers of compliance with the Code is reviewed by the Audit Committee which then



reports and makes a recommendation to the Board. To the knowledge of the Board, there have been no departures or waivers from this Code that would necessitate the filing of a material change report.

## **Diversity**

On February 28, 2019, the Board approved a formal diversity policy. A copy of the diversity policy can be found on the Corporation's website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com). The diversity policy defines diversity as including, but not limited to, gender, age, race, cultural and educational background, professional experience, skills, knowledge, region, industry experience and length of service. While diversity, and specifically gender diversity, is a key critical consideration, all Board appointments are made on merit, in the context of skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Compensation Committee reviews and assesses Board composition and makes recommendations regarding the appointment of new directors.

The Board recognizes the benefits of having a diverse Board and diversity amongst employees to enhance the quality of its performance. As described above, gender is one of the elements of diversity the Compensation Committee considers when reviewing and assessing Board and employee composition and when recommending appointments of new directors or the hiring of new employees. The focus is on attracting the competencies that best meet the needs of the Board at any point in time. In reviewing Board composition, the Compensation Committee has considered all aspects of diversity including, but not limited to, gender. The Corporation takes the approach of continually striving to improve through the creation and implementation of policies and the fostering of a culture that is encouraging and accepting of diversity.

Assuming all directors nominated by management at the Meeting are elected, there will be one of nine (11%) directors on the Board who is a woman and one executive officer of the Corporation who is a woman.

## **Board Tenure**

The Board does not believe that fixed term limits or mandatory retirement ages have been demonstrated to be in the best interest of the Corporation and as such, it has not specifically adopted term limits or other mechanisms for board renewal. However, on an informal basis the Board regularly assesses the performance of the Board as a whole and the individual committees. Through this review process, the Board determines whether there are any performance issues to be dealt with and therefore whether the individual directors are able to continue to make an effective contribution to the governance of the Corporation and recommend changes when appropriate. The Board is of the view that a regular review process is more effective than arbitrary term limits or a mandatory retirement age.

The Board is concerned that imposing arbitrary and inflexible director term limits may result in Storm losing valued directors at a time when Storm most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that are arbitrary, inflexible, and not based on performance. As a result, the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.

## **BOARD COMMITTEES**

The Board of Directors has established the Audit Committee, the Compensation Committee and the Reserves Committee as committees of the Board. Terms of reference for each committee, which delineate the mandate of the committee, the composition of the committee, the frequency of committee meetings and other relevant matters, have been approved and adopted by the Board for each committee.

### *Audit Committee*

The committee is responsible for reviewing and approving the financial statements and public reports of the Corporation, considering the existence and adequacy of internal and management controls and reviewing and approving material accounting policies and measurements. Responsibilities include reviewing the annual audit and quarterly reviews and communicating directly with the external auditor as to their findings. The committee's mandate

provides for regularly scheduled meetings to review and approve annual audited financial statements and quarterly unaudited financial statements and other reports to Shareholders. Additional meetings may be held as warranted with respect to public financing initiatives and other material transactions.

The committee is composed of three directors, James K. Wilson (Chairman), Mark A. Butler and Stuart G. Clark. Each of the members is independent and financially literate within the meaning of NI 52-110. Mr. Wilson was a director of the Corporation's predecessor company, Storm Exploration Inc. and has been a director and officer of a number of public oil and gas companies. Mr. Wilson holds a Bachelor of Commerce degree from the University of Calgary, a Chartered Accountant designation and ICD.D director certification from the Institute of Corporate Directors. Mr. Butler was a director of the Corporation's predecessor company, Storm Exploration Inc., and was in the past Chief Executive Officer of WestPac LNG Corporation. Mr. Butler holds a Bachelor of Laws degree from the University of Saskatchewan, a Masters of Business Administration from the University of Calgary, and ICD.D director certification from the Institute of Corporate Directors. Mr. Clark has been a director and chairman of a number of public oil and gas companies and has experience acting as an audit committee member.

The committee has the authority to pre-approve non-audit services which may be required from time to time.

Certain additional information regarding the committee which is required to be disclosed in accordance with NI 52-110, including the fees billed by the Corporation's external auditors during the fiscal periods ended December 31, 2018 and December 31, 2019 and the Audit Committee Terms of Reference, is contained in the AIF. The AIF is available on the Corporation's website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com) and under its SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Compensation, Governance and Nomination Committee*

The committee is currently composed of three directors, Mark A. Butler (Chairman), Matthew J. Brister and P. Grant Wierzba, all of whom are independent directors. Responsibilities include assisting the board in determining the compensation strategies for the Corporation, recommending the forms and amounts of compensation for directors, officers and other employees, assessing the performance of officers in fulfilling their responsibilities and meeting corporate objectives and assessing the performance of the Chief Executive Officer. The committee meets at least once annually or as warranted with respect to officer appointments or other compensation related matters.

#### *Reserves, Environment, Health and Safety Committee*

The committee is currently composed of four directors, P. Grant Wierzba (Chairman), Matthew J. Brister, Sheila A. Leggett and Gregory G. Turnbull, all of whom are independent directors.

In terms of reserves, responsibilities include meeting with the independent engineering firm commissioned to conduct the reserves evaluation on the Corporation's natural gas and NGL assets and discussing the results of such evaluation with each of the independent engineers and management. As part of this, the committee will review management's recommendations for the appointment of independent engineers, review the independent engineering evaluation reports and the principal assumptions upon which such reports are based, appraise the expertise of the independent engineering firm retained to evaluate the Corporation's reserves, review the scope and methodology of the independent engineers' evaluations, review any problems experienced by the independent engineers in preparing the reserve evaluation, including any restrictions imposed by management or significant issues on which there was a disagreement with management, and review reserve additions and revisions and other relevant items included in the independent reserve evaluator's report. The committee meets at least once annually or otherwise as circumstances warrant.

In 2019, the Board assigned responsibility for environment, health and safety to this committee and updated the committee's mandate accordingly. Responsibilities have expanded to include, among other things, reviewing the Corporation's fundamental policies and internal controls pertaining to environment, health and safety, and reviewing procedures designed to minimize environmental, occupational health and safety and other risks to asset value and to mitigate such risks. It is also responsible in conjunction with the Board for confirming that business is conducted in a socially responsible, ethical and transparent manner and that management engages, respects and supports the communities in which the Corporation works.

Storm and its Board are committed to conducting business in an environmentally responsible manner and to protecting the health and safety of employees, contractors, stakeholders and the public. Management continually

monitors and reviews performance in these areas relative to corporate objectives and regulatory requirements, and strives for continual improvement.

An environmental scorecard is now available on the Corporation's website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com).

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

Management knows of no other matters to come before the Meeting other than 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 judgment of the person voting such proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Additional information regarding the business of the Corporation is contained in the Corporation's AIF for the year ended December 31, 2019, and documents incorporated by reference therein.

Additional financial information regarding the Corporation is provided in the Corporation's audited consolidated financial statements and Management's Discussion & Analysis ("**MD&A**") for the year ended December 31, 2019. Copies of these documents and any interim financial statements and MD&A available for periods subsequent to December 31, 2019 and additional copies of this Circular are available on the SEDAR website at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.stormresourcesltd.com](http://www.stormresourcesltd.com). In addition, these documents may also be obtained upon request and free of charge to Shareholders from the Corporation's Investor Relations Department, Storm Resources Ltd., Suite 600, 215 – 2<sup>nd</sup> Street S.W. Calgary, Alberta T2P 1M4.

## APPENDIX A

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The board of directors (the “**Board**”) and management (“**Management**”) of Storm Resources Ltd. (“**Storm**” or the “**Corporation**”) believe in the importance of good corporate governance and its effectiveness in promoting enhanced shareholder value. In disclosing its approach to corporate governance, the Corporation makes particular reference to the guidelines set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). The Toronto Stock Exchange (the “**TSX**”) requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The Board and Management will continue to monitor the current initiatives of the securities regulatory authorities in Canada with respect to corporate governance in order to ensure that the Corporation’s corporate governance practice complies with all applicable legal requirements.

Management believes that good corporate governance is effective in promoting enhanced shareholder value. Management has the responsibility for the day to day management of the business of the Corporation. The Board retains responsibility for significant matters such as acquisitions and divestitures, major capital expenditures and debt and equity financing transactions.

The Board has ultimate oversight for the Corporation’s strategic planning process and receives regular updates on execution of the Corporation’s business plan.

The Board is responsible for understanding the principal risks associated with the Corporation’s business and it is the responsibility of Management to ensure that the Board and its committees are kept well informed of these changing risks. The Board has adopted policies designed to ensure the good governance of the Corporation. Directors and officers are subject to insider trading guidelines included within the Corporation’s disclosure policy. In addition, the disclosure policy requires the timely dissemination of all material information. Communications with Shareholders are undertaken through a variety of means, including the publication of the Corporation’s year-end report, quarterly reports, annual information form, news releases, and the Corporation’s website. The Corporation’s website, [www.stormresourcesltd.com](http://www.stormresourcesltd.com), contains annual and quarterly financial statements and management’s discussion and analysis, news releases, corporate presentations and other information considered helpful to investors.

As a publicly listed company on the TSX, the Corporation is subject to a variety of corporate governance guidelines and requirements which have been enacted by Canadian Securities Administrators. The Corporation’s corporate governance compliance is as follows:

#### FORM 58-101 F1 CORPORATE GOVERNANCE DISCLOSURE

Guidelines	Description of Approach
<p><b>1. Board of Directors</b></p> <p>(a) Disclose the identity of directors who are independent.</p>	<p>The Board has affirmatively determined that a majority of the Board is independent (eight of the nine members), including Messrs. Brister, Brussa, Butler, Clark, Turnbull, Wierzba and Wilson and Ms. Leggett, and has no direct or indirect material relationship with the Corporation which could reasonably be expected to interfere with the exercise of independent judgement and are independent in accordance with NI 58-101. The Compensation, Governance and Nomination Committee (the “<b>Compensation Committee</b>”) and the Board participate in the determination of director independence. The determination is based on information concerning the personal, business and other relationships and dealings between the directors and the Corporation, its affiliates and</p>

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- |  | the external auditor, collected through biographical material, reports and information provided by the directors.   |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
|--|---|------|-------------------------|-------------|------|------------|--|------------|------|-----------|------|--------------|--------------------|-------------|------|--------------|--|-------------|------|------------|-----------------------|
| (b) Disclose the identity of directors who are not independent, and describe the basis for that determination.   | Mr. Lavergne is not independent. Mr. Lavergne is the President and Chief Executive Officer of the Corporation. Although Mr. Brussa is Chairman of Burnet, Duckworth & Palmer LLP and Mr. Turnbull is a partner at McCarthy Tétrault LLP, both of which provided legal services to, and received fees from, the Corporation in the year ended December 31, 2019, the Compensation Committee and the Board of Directors do not consider such relationship to be a material relationship which could reasonably be expected to interfere with the exercise of independent judgment for the purposes of NI 58-101. Based on review of NI 52-110, Messrs. Brussa and Turnbull are limited partners that have no active role in providing legal services to the Corporation or the Board, are not involved in any billing matters between their respective firms and the Corporation, and the Board does not consider that the fees payable by the Corporation to either firm could reasonably be expected to interfere with Mr. Brussa's or Mr. Turnbull's exercise of independent judgment. The legal fees paid by the Corporation to the two firms for the year ended December 31, 2019 totaled \$0.1 million which is not material relative to the value of Mr. Brussa's and Mr. Turnbull's combined shareholdings of approximately 1.0 million Common Shares as detailed on page 6 of this Circular. |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| (c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities. | The Board has affirmatively determined that a majority of the Board is independent (eight of the nine members), including Messrs. Brister, Brussa, Butler, Clark, Turnbull, Wierzba and Wilson and Ms. Leggett.   |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| (d) Disclose the names of directors who are directors of any other reporting issuer and the name of the reporting issuer.  | <table border="1"> <thead> <tr> <th style="text-align: center;">Name</th> <th style="text-align: center;">Other Reporting Issuers</th> </tr> </thead> <tbody> <tr> <td>Mr. Brister</td> <td>None</td> </tr> <tr> <td>Mr. Brussa</td> <td>Cardinal Energy Ltd., Crew Energy Inc., Leucrotta Exploration Inc. and TORC Oil &amp; Gas Ltd.</td> </tr> <tr> <td>Mr. Butler</td> <td>None</td> </tr> <tr> <td>Mr. Clark</td> <td>None</td> </tr> <tr> <td>Mr. Lavergne</td> <td>Altura Energy Inc.</td> </tr> <tr> <td>Ms. Leggett</td> <td>None</td> </tr> <tr> <td>Mr. Turnbull</td> <td>Target Capital Inc. and Sundial Growers Inc.</td> </tr> <tr> <td>Mr. Wierzba</td> <td>None</td> </tr> <tr> <td>Mr. Wilson</td> <td>Centaurus Energy Inc.</td> </tr> </tbody> </table>   | Name | Other Reporting Issuers | Mr. Brister | None | Mr. Brussa | Cardinal Energy Ltd., Crew Energy Inc., Leucrotta Exploration Inc. and TORC Oil & Gas Ltd. | Mr. Butler | None | Mr. Clark | None | Mr. Lavergne | Altura Energy Inc. | Ms. Leggett | None | Mr. Turnbull | Target Capital Inc. and Sundial Growers Inc. | Mr. Wierzba | None | Mr. Wilson | Centaurus Energy Inc. |
| Name   | Other Reporting Issuers   |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Brister  | None  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Brussa   | Cardinal Energy Ltd., Crew Energy Inc., Leucrotta Exploration Inc. and TORC Oil & Gas Ltd.  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Butler   | None  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Clark  | None  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Lavergne   | Altura Energy Inc.  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Ms. Leggett  | None  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Turnbull   | Target Capital Inc. and Sundial Growers Inc.  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Wierzba  | None  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| Mr. Wilson   | Centaurus Energy Inc.   |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |
| (e) Disclose whether or not the independent directors hold regularly scheduled meetings at   | As part of each meeting of the Board, the independent directors meet without management to consider any matters arising from the meeting or otherwise that require  |      |                         |             |      |            |  |            |      |           |      |              |                    |             |      |              |  |             |      |            |                       |

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which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.

consideration or discussion among the independent directors. Four such meetings were held since the beginning of the last completed financial year. In addition, other meetings of the independent directors may be held from time to time if required. The independent directors each take leadership roles on various issues as the need arises. Further, as with all directors, the independent directors may engage external advisors at the expense of the Corporation in appropriate circumstances, subject to the approval of the Board and have complete access to appropriate personnel of the Corporation in order to secure all information necessary to fulfill their duties.

- (f) Disclose whether or not the Chairman of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.

The Chairman of the Board, Mr. Stuart Clark, is an independent director. His role and responsibilities are to chair all Board and Shareholder meetings, to ensure that the Board reviews and approves the Corporation's corporate strategy as developed and updated regularly by Management, to ensure that the Board receives regular updates on all issues of importance to the Corporation, to work closely with each committee chair to ensure that each of the committee's functions are carried out, to communicate with the President and Chief Executive Officer to provide feedback and coaching as required and to work collectively and individually with members of the Board to ensure optimum performance of the Board.

- (g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.

Each director's attendance at Board and committee meetings during 2019 was as follows:

Name	Board	Audit	Compensation	Reserves
Mr. Brister	4/4	-	2/2	2/2
Mr. Brussa	4/4	-	-	-
Mr. Butler	4/4	4/4	2/2	-
Mr. Clark	4/4	4/4	-	-
Mr. Lavergne	4/4	-	2/2	2/2
Ms. Leggett	4/4	-	-	2/2
Mr. Turnbull	4/4	-	-	2/2
Mr. Wierzba	4/4	-	2/2	2/2
Mr. Wilson	4/4	4/4	-	-

## 2. Board Mandate

- (a) Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its roles and responsibilities.

The Board has adopted a written mandate, attached hereto as Appendix B, that summarizes, among other things, the Board's duties and responsibilities.

Guidelines	Description of Approach
	A summary of how the Board delineates its roles and responsibilities can be found under the heading “ <i>Mandate of the Board and Position Descriptions</i> ” in this Circular.
<p><b>3. Position Descriptions</b></p> <p>(a) Disclose whether or not the Board has developed written position descriptions for the Chairman and the Chair of each Board committee. If the Board has not developed written position descriptions for the Chairman and/or the Chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position.</p> <p>(b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If such a position description has not been developed, briefly describe how the Board delineates the role and responsibilities of the CEO.</p>	<p>The Corporation has a formal position description for the Chairman of the Board which can be viewed on the Corporation’s website at <a href="http://www.stormresourcesltd.com">www.stormresourcesltd.com</a>. The Corporation does not have a formal position description for the Chair of each Board committee. The Chairs of each committee are responsible for fulfilling the terms of the mandates of each committee and for setting the agenda for each of their respective committee meetings. The Chair of each committee reports to the Board following each committee meeting.</p> <p>The Corporation has a formal position description for the CEO which can be viewed on the Corporation’s website at <a href="http://www.stormresourcesltd.com">www.stormresourcesltd.com</a>. The Board expects the CEO and the executive officers to be responsible for the day-to-day management of the Corporation and the execution of the strategic plan for the Corporation, which is approved by the Board. The CEO is ultimately responsible for directing and monitoring the activities and resources of the Corporation consistent with the strategic direction, financial limits and operating objectives adopted by the Board.</p>
<p><b>4. Orientation and Continuing Education</b></p> <p>(a) Briefly describe what measures the Board takes to orient new directors regarding:</p> <p>(i) the role of the Board, its directors and the committees of the Board; and</p> <p>(ii) the nature and operation of the issuer’s business.</p> <p>(b) Briefly describe what measures, if any, the Board takes to provide continuing education for its members. If the Board does not provide continuing education,</p>	<p>Directors or the Chairman will provide an initial orientation for new directors which includes the role of the Board and its committees. In addition, new directors are provided with copies of all Board and committee mandates and policies, Storm’s by-laws, pertinent corporate information and other reference materials.</p> <p>Management provides an initial orientation for new directors with respect to operations.</p> <p>Although the Corporation does not currently have any formal ongoing education programs for directors, the services of outside experts may be retained for specific matters. Directors are encouraged to communicate with management, auditors and technical consultants to keep themselves current</p>

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<p>describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>with industry trends and developments and changes in legislation, to attend related industry seminars and to visit the Corporation's operations. Members of the Board have full access to the Corporation's records and to any of the Corporation's employees or consultants. The Board receives regular management reports and presentations with respect to the Corporation's operations and activities.</p>
<p><b>5. Ethical Business Conduct</b></p>	
<p>(a) Disclose whether or not the Board has adopted a written code for directors, officers and employees. If the Board has adopted a written code:</p>	<p>The Corporation has adopted a Code of Business Conduct and Ethics for directors, officers and employees (the "<b>Code</b>"). The Code reflects the Corporation's commitment to a culture of honesty, integrity and accountability and outlines the basic principles and policies with which all employees are expected to comply. The Corporation recognizes that each employee's cooperation and commitment is necessary for continued success and the cultivation and maintenance of its reputation as a good corporate citizen.</p>
<p>(i) disclose how a person or company may obtain a copy of the Code;</p>	<p>A copy of the Code is available on the Corporation's website at <a href="http://www.stormresourcesltd.com">www.stormresourcesltd.com</a> and at <a href="http://www.sedar.com">www.sedar.com</a>.</p>
<p>(ii) disclose how the Board monitors compliance with its Code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its Code, and;</p>	<p>All employees are provided with a copy of the Code on commencement of employment and are made aware of the consequences of violation thereof. An annual reminder that compliance with the Code is required is also provided.</p>
<p>(iii) provide a cross reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.</p>	<p>There have been no material change reports filed since the beginning of the Corporation's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.</p>
<p>(b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>In accordance with the <i>Business Corporations Act</i> (Alberta), directors who are a party to, or are a director or an officer or a person which is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction, are required to disclose the nature and extent of their interest and to abstain from voting on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee of the Board may</p>



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	<p>be formed to deliberate on such matters in the absence of the interested party.</p>
(c) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	<p>The Corporation believes that the oversight role of the Board, linked to the management practices of the Corporation, ensures that the Corporation carries out its business in an ethical and responsible fashion with due recognition of its obligations to all stakeholders.</p> <p>The Corporation believes that the recruitment of appropriate officers and employees will also result in the Corporation's business being conducted in a responsible ethical fashion.</p> <p>In addition to the Code, the Board has also adopted a Whistleblower Policy wherein employees of the Corporation are provided with the mechanics by which they may raise concerns with respect to a possible violation of the Corporation's disclosure standards in a confidential, anonymous process.</p>
<b>6. Nomination of Directors</b>	
(a) Describe the process by which the Board identifies new candidates for Board nomination.	<p>The Compensation Committee is responsible for recommending suitable candidates for nominees for election or appointment as director, and recommending the criteria governing the desirable characteristics for directors. In making such recommendations, the Compensation Committee screens the qualifications of candidates against a skills matrix and considers: (i) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (ii) the competence and skills that the Board considers each existing director to possess; (iii) the competence and skills that each new nominee will bring to the boardroom; and (iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board. Diversity, including gender diversity, is also a consideration.</p> <p>When potential candidates have been identified, they are screened to ensure that they possess the requisite qualities of integrity, areas of business and professional experience, independence considerations and other skills. The other commitments of the potential candidates are also considered to ensure that the candidate is able to fulfill his or her obligations as a member of the Board. In the past, potential candidates have been identified through suggestions from members of the Board and industry contacts.</p> <p>The Compensation Committee is also to review on a periodic basis the composition of the Board to ensure that an appropriate number of independent directors sit on the Board, and analyze the needs of the Board and recommend nominees who meet such needs.</p>

Guidelines	Description of Approach
	The tables on page 7 of this Circular reflect the diverse skill set of the Board and identify the specific experience and expertise brought by each individual director.
(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors.	All three members of the Compensation Committee are independent directors. The members of the Compensation Committee are Messrs. Butler, Brister and Wierzba.
(c) If the Board has a nominating committee, describe its responsibilities, powers and operation.	See item 6(a).
<b>7. Compensation</b>	
(a) Describe the processes by which the Board determines the compensation for the Corporation's directors and officers.	As disclosed under the heading " <i>Executive Compensation</i> " in this Circular, the Compensation Committee obtains the results of a survey of the compensation provided to directors and officers of similar sized corporations and makes annual recommendations to the Board regarding director and officer compensation.
(b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors.	The Compensation Committee is composed entirely of independent directors.
(c) Describe the responsibilities, powers and operation of the Compensation Committee.	The Compensation Committee is responsible for reviewing annually employment and remuneration policies and making recommendations to the Board in respect of compensation issues relating to directors, officers and employees of the Corporation. It also reviews the performance of the Chief Executive Officer and other officers as required. For a more detailed summary of the responsibilities, powers and operation of the Compensation Committee see " <i>Executive Compensation</i> " and " <i>Board Committees – Compensation, Governance and Nomination Committee</i> ".
<b>8. Other Board Committees</b>	
If the Board has other standing committees, other than audit, compensation and nominating committees, identify the committees and describe their function.	The Corporation also has a Reserves Committee. The Reserves Committee is responsible for various matters relating to reserves of the Corporation that may be delegated to the Reserves Committee pursuant to National Instrument 51-101 (Standards of Disclosure for Oil and Gas Activities) ("NI 51-101"). The Reserves Committee is also responsible for reviewing the Corporation's fundamental policies and internal controls pertaining to environment, health and safety and other risks to asset value and mitigate such risks. The composition and function of the Reserves Committee are

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	described in this Circular under “ <i>Board Committees – Reserves Committee</i> ”.
<p><b>9. Regular Board Assessments</b></p>	
<p>Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Board is responsible by its mandate to evaluate the effectiveness of the Board, committees and individual directors. The Board regularly evaluates Board effectiveness through informal communications with Board members and through participation with other Board members on committees and matters relating to the Board. The Board, with the participation of the Chairman, may recommend changes to enhance Board performance based on this communication as well as based on its review and assessment of the Board structure and individuals in relation to current industry and regulatory expectations. From time to time, the Board considers the procedural or substantive changes to increase its effectiveness. Given the relatively small size and consistency of membership of the Board, this assessment methodology has been both responsive and practical.</p>
<p><b>10. Director Term Limits and Other Mechanisms of Board Renewal</b></p>	
<p>Disclose whether or not term limits for the directors or other mechanisms of Board renewal have been adopted. If so, include a description of the mechanism. If not, disclose why it has not done so.</p>	<p>The Board has not adopted term limits for Board members. However, on an informal basis the Board regularly assesses the performance of the Board as a whole and the individual committees. Through this review process, the Board determines if there are any performance issues and if individual directors are effectively contributing to the governance and direction of the Corporation. The Board is of the view that a regular review process is more effective than arbitrary term limits or a mandatory retirement age.</p> <p>The Board is concerned that imposing arbitrary and inflexible director term limits may result in Storm losing valued directors at a time when Storm most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of the organization. Mandatory retirement ages pose the same risk and the Board does not want to risk the loss of key directors to retirement policies that are arbitrary, inflexible, and not based on performance. As a result, the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when Board renewals, Board removals and Board additions are appropriate.</p>
<p><b>11. Representation of Women on the Board</b></p>	
<p>(a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of</p>	<p>The Corporation has adopted a formal written diversity policy in which gender is one of the elements considered when reviewing and assessing Board composition and recommending appointments of new directors. The Board</p>

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<p>women directors. If not, disclose why it has not done so.</p>	<p>acknowledges the importance of diversity, including gender diversity, in the review and consideration of potential director nominees. The Board evaluates potential nominees to the Board by reviewing individual qualifications of prospective members and determining if the candidates' qualifications will meaningfully contribute to the effective functioning of the Board, taking into consideration the then current Board composition or diversity and the anticipated skills required to round out the capabilities of the Board.</p>
<p>(b) If such a policy has been adopted, disclose (i) a short summary of its objectives and key provisions; (ii) measures taken to ensure effective implementation; (iii) annual and cumulative progress by the issuer in achieving the objectives of the policy; and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.</p>	<p>See item 11(a). A copy of the Corporation's diversity policy is available on the Corporation's website at <a href="http://www.stormresourcesltd.com">www.stormresourcesltd.com</a>. The Corporation has advanced its diversity initiatives through the addition of Ms. Shelia A. Leggett to the Board on July 11, 2018.</p>
<p><b>12. Representation of Women in the Director Identification and Selection Process</b></p> <p>Disclose whether and, if so, how the Board or nominating committee considers the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the issuer does not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the issuer's reasons for not doing so.</p>	<p>The Board considers the level of representation of women on the Board in identifying and nominating Board members pursuant to the Corporation's diversity policy. The number of women directors on the Board is a factor that the Compensation Committee will consider when selecting new nominees for the Board having regard to current Board composition, and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership.</p>
<p><b>13. Representation of Women in Executive Officer Appointments</b></p> <p>Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer</p>	<p>The Board considers the level of representation of women in executive officer positions pursuant to the Corporation's diversity policy when making executive officer appointments. Storm is committed to the fundamental principles of equal employment opportunities with a foundation based on treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual's qualifications and performance free from discrimination or harassment because of race, colour, ancestry, place of origin, religion, gender, sexual orientation, age, marital status, family status, physical or mental disability. Furthermore, Storm's</p>

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<p>appointments, disclose the issuer's reasons for not doing so.</p>	<p>employment policies and procedures provide that the primary considerations for selecting candidates would include experience, skill and ability, while giving consideration to the importance of diversity, including gender diversity, when recruiting for and appointing executive officers.</p>
<p><b>14. Issuer's Target Regarding the Representation of Women on the Board and in Executive Officer Positions</b></p>	
<p>(a) Disclose whether the issuer has adopted a target regarding women on the issuer's Board and in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.</p>	<p>The Corporation has not adopted a target regarding women on the Board or women in executive officer positions. When filling any vacant or new positions, the focus is on attracting the competencies that best meet the needs of the Board or the Corporation at any point in time. In reviewing Board composition, the Compensation Committee will consider all aspects of diversity including, but not limited to, gender. While Board diversity is a key critical consideration, all Board appointments are made on merit, in the context of skills, experience, independence and knowledge which the Board as a whole requires to be effective. In regards to executive officer positions, focus is on attracting the competencies that best meet the needs of the Corporation at any point in time, with the intention of having women represented at all levels of the organization. The Corporation takes the approach of continually striving to improve through the creation and implementation of policies and the fostering of a culture that is encouraging and accepting of diversity, rather than setting targets.</p>
<p>(b) If the issuer has adopted a target, disclose the target and annual and cumulative progress in achieving the target.</p>	<p>N/A</p>
<p><b>15. Number of Women on the Board and in Executive Officer Positions</b></p>	
<p>(a) Disclose the number and proportion of directors on the Board who are women.</p>	<p>As at the date hereof, Storm has one (1) director on its Board that is a woman (11%).</p>
<p>(b) Disclose the number and proportion of executive officers who are women.</p>	<p>As at the date hereof, Storm has one (1) executive officer that is a woman (14%) and three (3) members of the management team that are women (25%).</p>

## APPENDIX B

### BOARD MANDATE

#### STORM RESOURCES LTD. BOARD OF DIRECTORS MANDATE

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#### 1. GENERAL

The primary responsibilities of the Board are:

- (a) to provide advice and guidance to management;
- (b) to work with management to identify, set and execute the strategic plan for the Corporation;
- (c) to ensure that the Corporation operates at all times within applicable laws and regulations to the highest ethical and moral standards;
- (d) to ensure that it acts independently, honestly and in good faith with a view to the best interests of the Corporation;
- (e) to exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances; and
- (f) to act in accordance with its obligations contained in the ABCA and the regulations thereto, the articles and by-laws of the Corporation, and other relevant legislation and regulations.

#### 2. COMPOSITION AND OPERATION

The number of directors shall be not less than three and not more than fifteen as specified in the Corporation'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. A majority of Board members will be "independent" as such term is referred to in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. The Board will in each year appoint a chairperson of the Board (the "**Chair**").

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 Chair, nominating candidates for election to the Board, constituting committees of the Board, defining the mandate of each committee and determining compensation for the directors. Subject to the articles and by-laws of the Corporation 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.

A system will be established where any director can engage an outside advisor at the expense of the Corporation.

On an ongoing basis, the Board shall evaluate the effectiveness of individual directors and the Board as a whole.

#### 3. MEETINGS

The Board shall have a minimum of four regularly scheduled meetings per year. Special meetings are called as necessary. A quorum for a meeting of the Board shall consist of a simple majority of the members of the Board.

At a minimum, the Board will meet without management present at the end of each of the four regularly-scheduled meetings of the Board.

#### 4. SPECIFIC DUTIES

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

In fulfilling its responsibility for the stewardship of the affairs of the Corporation, the Board shall:

- (i) provide advice and guidance to management with the intent of increasing value for shareholders;
- (ii) satisfy itself as to the integrity of the Chief Executive Officer (the “CEO”) and other senior officers of the Corporation and ensuring that a culture of integrity is maintained throughout the Corporation;
- (iii) approve the significant policies and procedures by which the Corporation 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) review and approve material contracts and transactions involving the Corporation, including the acquisitions and dispositions of material assets by the Corporation and material capital expenditures by the Corporation;
- (v) approve annual operating and capital 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) develop written position descriptions for the Chair and for the chair of each Board committee;
- (vii) annually review operating and financial performance results relative to established strategy, budgets and objectives;
- (viii) review and approve the Corporation’s strategic business plan which takes into account the opportunities and risks inherent in the oil and gas business; and
- (ix) consider and approve the following matters as a full 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 common shares or financial instruments;
  - E. the establishment of credit facilities;
  - F. the declaration of dividends;
  - G. the purchase, redemption or any other form of acquisition of shares issued by the Corporation;
  - H. the adoption, amendment or repeal of any by-laws of the Corporation; and
  - I. the approval of management proxy circulars.

**(b) Managing Risk**

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

**(c) Appointment and Monitoring of Senior Management**

The Board shall:

- (i) appoint the CEO and other senior officers of the Corporation, approve (upon recommendations from the Compensation, Governance and Nomination Committee) their compensation, and monitor and assess the CEO's performance against a set of mutually agreed corporate objectives;
- (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 and responsibility delegated to management; and
- (iv) develop a written position description for the CEO.

**(d) Reporting and Communication**

The Board has the responsibility to:

- (i) verify 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;
- (ii) verify that the financial performance of the Corporation is reported accurately to shareholders, other security holders and regulators on a timely and regular basis; and
- (iii) verify the timely reporting of any other developments that have a significant and material impact on the value of the Corporation.

**(e) Monitoring and Acting**

The Board has the responsibility to:

- (i) review and approve the Corporation's financial statements and ensure the Corporation's compliance with applicable audit, accounting and reporting requirements;
- (ii) approve and monitor compliance with significant policies and procedures by which the Corporation operates;
- (iii) take such action as it determines appropriate when the Corporation's performance falls short of its goals and objectives or when other special circumstances warrant;
- (iv) verify that the Corporation has implemented and maintains appropriate internal control and management information systems;
- (v) establish a disclosure policy; and
- (vi) ensure that management has processes and systems in place to ensure compliance with applicable laws and regulations.

**(f) Other Activities**



The Board may perform any other actions consistent with this mandate, the articles and by-laws of the Corporation and any other governing laws as the Board deems necessary or appropriate.

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

The Board shall be responsible to adopt a “Code of Business Conduct and Ethics” for the Corporation which shall address:

- (i) conflicts of interest;
- (ii) the protection and proper use of the Corporation’s assets and opportunities;
- (iii) the confidentiality of information;
- (iv) fair dealing with various stakeholders of the Corporation;
- (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; and (c) a Compensation, Governance and Nomination 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 Corporation shall provide each director with access to the management of the Corporation as required.