

**PAINTED PONY PETROLEUM LTD.**  
**Compensation Committee Charter**

**OVERALL ROLE AND RESPONSIBILITY**

The Compensation Committee (the “Committee”) shall assist the Board of Directors in its oversight role with respect to:

- (i) the Corporation’s global human resources strategy, policies and programs; and
- (ii) all matters relating to proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation.

**MEMBERSHIP AND MEETINGS**

The Committee shall consist of three or more Directors appointed by the Board of Directors, a majority of whom shall be independent and unrelated to the Corporation and as such shall not be officers (other than a non-executive Chairman or Corporate Secretary who is not an employee of the Corporation) or employees of the Corporation or any of the Corporation’s affiliates.

Each of the members of the Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, the applicable stock exchanges on which the Corporation’s securities are listed and applicable securities regulatory authorities.

The Board of Directors shall designate one member of the Committee as the Committee Chair. Members of the Committee shall serve at the pleasure of the Board of Directors for such term or terms as the Board of Directors may determine.

**STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Committee participating in any meeting of the Committee is necessary for the adoption of any resolution.

The Committee shall meet as often as required, but not less frequently than annually. The Committee shall report to the Board of Directors on its activities after each of its meetings.

The Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

**SPECIFIC DUTIES**

**Management Bonuses, Stock Options, Succession and Review**

- The Committee shall have authority to review and approve the payment of bonuses to the executive officers of the Corporation and to grant stock options in accordance with the Corporation's stock option plan. Where the Committee has approved bonuses or stock options, the Committee Chair shall communicate such approval to the members of the Board of Directors and the Corporation's legal counsel prior to the payment of such bonus or prior to public disclosure of such stock option grant.

- Review succession and leadership plans and make appropriate recommendations to the Board of Directors periodically regarding the remuneration of the Corporation's senior officers.
- Review periodically the assessment of the performance of senior officers as provided to the Committee by the Chief Executive Officer.

### **Remuneration**

- Establish an overall compensation policy for the Corporation and monitor its implementation, with special attention devoted to the executive group.
- Review and make recommendations to the Board of Directors periodically regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans, executive stock option plans and grants and benefit plans (including the group life and health program).
- Review and approve periodically all compensation arrangements with the senior executives of the Corporation other than the President and Chief Executive Officer.
- Review the executive compensation sections disclosed in the Proxy Circular distributed to shareholders, including the Report on Executive Compensation, the Statement of Officers' Compensation, Employment Agreements, Stock Option Plans, Options Granted During the Most Recently Completed Financial Year and Directors', Executive and Senior Officers' Indebtedness.
- Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

### **INDEPENDENT ADVISORS**

The Committee shall have the authority to retain such independent advisors as it may deem necessary or advisable for its purposes. The expenses related to such engagement shall be funded by the Corporation.