

# **MANAGEMENT INFORMATION CIRCULAR**

**RAGING RIVER EXPLORATION INC.  
NOTICE OF 2017  
ANNUAL MEETING OF SHAREHOLDERS**

## Letter to Shareholders

### Dear Shareholder,

The board of directors of Raging River Exploration Inc. (*Raging River*) is pleased to provide to you our 2017 management information circular.

This document tells you about your voting rights as a shareholder and the items we will be discussing at our annual meeting of shareholders on May 9, 2017. It also includes important information about how Raging River is governed and how our directors and executives are compensated.

We are not proposing any changes to the membership of our board of directors this year. We believe that the current board includes a strong group of directors with the broad range of skills and experience required to lead our organization.

You will find a complete list of items to be covered at the meeting on page 3. We invite you to join us in Calgary, Alberta on May 9, 2017.

Sincerely,

Signed "*Neil Roszell*"

Neil Roszell, P. Eng.  
President and Chief Executive Officer  
Raging River Exploration Inc.

#### WHAT IS INSIDE

Notice of our 2017 annual meeting.....	3	APPENDIX A .....	A-1
Management information circular .....	4	APPENDIX B .....	B-1
1. About the shareholder meeting.....	6		
2. Director profiles .....	12		
3. Corporate Governance disclosure .....	17		
4. Executive and Director compensation.....	24		
5. Other information.....	42		

## NOTICE OF OUR 2017 ANNUAL MEETING

### You are invited to our 2017 annual meeting of shareholders:

When Tuesday, May 9, 2017  
10:00 a.m. (Calgary time)

Where Strand Tivoli Room, The Metropolitan Conference  
Centre  
333 – 4 Avenue SW, Calgary, Alberta

### We will cover five items of business:

1. Receive our comparative financial statements and the auditors' report thereon;
2. Fix the number of directors to be elected at the meeting at six;
3. Elect the directors;
4. Appoint the auditors; and
5. Any other business as may properly come before the meeting.

### Your vote is important

The attached management information circular includes important information about the items of business, the meeting and the voting process. Please read it carefully and remember to vote. Our board of directors has fixed the record date for shareholders entitled to receive notice of, and vote at, the meeting at the close of business on March 29, 2017.

You have been mailed a copy of our 2016 financial statements and the auditors' report thereon if you requested to receive a copy, in accordance with securities laws. You can also access a copy of our financial statements on our website ([www.rrexploration.com](http://www.rrexploration.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

By order of the board,

Sincerely,

Signed "*Neil Roszell*"

Neil Roszell, P. Eng.  
President and Chief Executive Officer  
Raging River Exploration Inc.

Calgary, Alberta

March 30, 2017

## MANAGEMENT INFORMATION CIRCULAR

Unless the context indicates otherwise, a reference in this circular to:

*ABCA* means the *Business Corporations Act* (Alberta) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

*Arrangement* means the plan of arrangement involving Crescent Point Energy Corp. (*Crescent Point*) and Wild Stream Exploration Inc. (*Wild Stream*) pursuant to which: (i) Crescent Point acquired all of the issued and outstanding common shares of Wild Stream in consideration for 0.17 of a common share of Crescent Point for each common share of Wild Stream; (ii) Raging River entered into conveyance agreements pursuant to which it acquired diversified, long life crude oil and natural gas properties from Wild Stream; and (iii) shareholders of Wild Stream (other than dissenting Wild Stream shareholders) also received one (1) common share and 0.2 of a common share purchase warrant of Raging River for each common share of Wild Stream held;

*Award Plan* means our restricted and performance share award plan dated effective May 10, 2016;

*Awards* mean collectively, the Restricted Awards and the Performance Awards;

*board* refers to the board of directors of Raging River;

*we, us, our, Raging River* or the *corporation* refers to Raging River Exploration Inc.;

*C&CG Committee* means the Compensation and Corporate Governance Committee of our board;

*CEO* means the President and Chief Executive Officer of Raging River;

*circular* means this management information circular;

*common shares* or *shares* means the common shares of the corporation;

*DSU Plan* means our deferred share unit award plan;

*DSUs* means the deferred share units issued under the DSU Plan;

*meeting* means the annual meeting of the shareholders to be held May 9, 2017;

*New Option Plan* means the new share option plan dated effective May 10, 2016;

*Options* means the options to purchase our common shares issued under our Old Option Plan or the New Option Plan;

*Old Option Plan* means our share option plan adopted by the corporation in March 2012, as amended;

*Performance Awards* means performance share unit awards issued under the Award Plan;

*Restricted Awards* means restricted share unit awards issued under the Award Plan;

*TSX* means the Toronto Stock Exchange; and

*you, your* and *shareholders* includes the holders of common shares.

You have received this document because you owned common shares on March 29, 2017 (the *record date*) and are entitled to vote at the meeting on May 9, 2017, or at a reconvened meeting if the meeting is

postponed or adjourned.

Management is soliciting your proxy for the meeting. We pay all costs for producing and mailing this circular and other meeting materials, and for soliciting your proxy. Raging River employees, officers or directors may contact you to encourage you to vote; however, they are not paid for these services. We may also engage proxy solicitation agents to solicit your votes. If we do so, we will pay all costs associated with such proxy solicitation agents.

The board has approved the contents of this circular and has authorized us to send it to you. Information is organized into the following five sections:

1. About the Shareholder Meeting (page 6);
  - (a) Fix the number of directors to be elected at the meeting at six (page 6);
  - (b) Elect the directors (page 6);
  - (c) Appoint the auditors (page 7);
2. Director Profiles (page 12);
3. Corporate Governance Disclosure (page 17);
4. Executive and Director Compensation (page 24); and
5. Other Information (page 42).

Appendix A – Mandate of the board (page A-1)

Appendix B – Summary of terms of the Old Option Plan (page B-1)

**Our principal corporate office:**

Raging River Exploration Inc.  
1700, 605 - 5 Avenue SW  
Calgary, Alberta T2P 3H5

T. 403.767.1265

F. 403.387.2951

All information in this circular is as of March 30, 2017 and all dollar amounts are in Canadian dollars, unless we note otherwise.

Contact us at the address above for a copy of our financial statements and management's discussion and analysis (*MD&A*) for the year ended December 31, 2016. Financial information about Raging River can be found in our comparative annual financial statements and MD&A for our most recently completed financial year. You can also find these documents and other important information about Raging River on our website ([www.rrexploration.com](http://www.rrexploration.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

## ABOUT THE SHAREHOLDER MEETING

### Business of the meeting

Our 2017 annual meeting of shareholders will cover the following items of business:

#### 1. Receive our 2016 financial statements and the auditors' report

If you requested to receive a copy, you will have received our comparative financial statements for the year ended December 31, 2016 and the auditors' report thereon. Copies of these materials will also be available at the meeting, on our website ([www.rrexploration.com](http://www.rrexploration.com)) or on SEDAR ([www.sedar.com](http://www.sedar.com)).

#### 2. Fix the number of directors to be elected at the meeting at six

At the meeting, you will be asked to fix the number of directors to be elected at the meeting at six members. There are currently six directors of Raging River.

We recommend you vote for fixing the number of directors at six. **Unless instructed otherwise, the persons named in the proxy will vote for fixing the number of directors at six.**

#### 3. Elect the directors

As a holder of common shares, you will be asked to vote on electing the following six directors to the board to hold office until the next annual meeting of our shareholders or until their successors are elected or appointed:

- |                 |                 |
|-----------------|-----------------|
| 1. Gary Bugeaud | 4. Kevin Olson  |
| 2. George Fink  | 5. David Pearce |
| 3. Raymond Mack | 6. Neil Roszell |

All of the nominated directors currently serve on our board. The board has a strong range of skills and experience. 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 a shareholder has specified in their proxy that their common shares are to be withheld from voting on the election of directors. The director profiles starting on page 12 provide detailed information about each director's skills and experience, 2016 attendance record, securities ownership and other public company directorships.

Our board has adopted a majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at a meeting of the shareholders, such nominee shall offer his or her resignation as a director to the board promptly following the meeting of shareholders at which the director was elected. Upon receiving such offer of resignation, our C&CG Committee will consider such offer and, absent exceptional circumstances, shall recommend that the board accept the resignation. The board will consider the recommendations and, absent exceptional circumstances, shall accept such resignation. The resignation will become effective upon acceptance by the board. The corporation will announce the decision of the board in a press release with respect to whether they have decided to accept such director's resignation, which decision will be made within 90 days following the meeting of shareholders. If the board has determined not to accept such resignation, the press release will disclose the reasons for rejecting such resignation. The press release will also be filed with the TSX. The director who tendered such resignation will not be part of any deliberations of any board committee (including the C&CG Committee if such director is a member of such committee) or the board pertaining to the resignation offer.

The majority voting policy only applies in circumstances involving an uncontested election of directors.

For the purpose of the policy, an uncontested election of directors means that the number of nominees for election as a director is the same as the number of directors to be elected to the board and that no proxy material is circulated in support of one or more nominees who are not named as nominees in the applicable management information circular.

At our annual and special meeting held on May 7, 2015, our shareholders ratified the advance notice bylaw of the corporation (*Advance Notice Bylaw*) which contains advance notice provisions, providing our shareholders, board and management with a clear framework for nominating directors to help ensure orderly business at shareholder meetings by effectively preventing a shareholder from putting forth director nominations from the floor of a shareholders' meeting without prior notice. Among other things, the Advance Notice Bylaw requires that a shareholder wishing to nominate a candidate for election as a director of the corporation at an annual meeting of shareholders must provide notice to the Corporate Secretary of the corporation not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the corporation must be made not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made.

The Advance Notice Bylaw also specifies the information that a nominating shareholder must include in the notice to the corporation regarding each director nominee and the nominating shareholder for the notice to be in proper written form in order for any director nominee to be eligible for nomination and election at any of our annual or special meeting of shareholders. These requirements are intended to provide all shareholders with the opportunity to evaluate and review the proposed candidates and vote on an informed and timely manner regarding such nominees. The Advanced Notice Bylaw does not affect nominations made pursuant to a "proposal" made in accordance with the ABCA or a requisition of a meeting of shareholders made pursuant to the ABCA. As of the date of this circular, the corporation has not received any nominations pursuant to the advance notice provisions contained in the Advance Notice Bylaw. A copy of our Advance Notice Bylaw is available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

Directors will serve until the next annual meeting of shareholders, or until their successors are elected or appointed.

The proxy allows you to vote for all of the nominees, vote for some of the nominees and withhold your vote for others, or withhold your vote for all of the nominees. We recommend you vote for electing each of our proposed nominees as directors until the next annual meeting of shareholders. **Unless instructed otherwise, the persons named in the proxy will vote in favour of electing all of our nominees.**

#### 4. Appoint the auditors

You will be asked to vote on appointing our external auditors and authorizing our board to fix their remuneration. The audit committee and the board propose that KPMG LLP Chartered Professional Accountants (*KPMG*) be appointed as auditors to serve until the next annual meeting of shareholders.

KPMG has served as our auditors since incorporation. You can find other information about our audit committee and about the fees paid to KPMG in the two most recently completed financial years in our annual information form (*AIF*) for the year ended December 31, 2016, as required by the Canadian Securities Administrators under National Instrument 52-110 – *Audit Committees*, which is available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).

We recommend you vote for appointing KPMG as our auditors to hold office until the next annual meeting of shareholders and authorizing our board to fix their remuneration. **Unless instructed otherwise, the persons named in the proxy will vote in favour of the appointment of KPMG as our auditors.**

#### 5. Other business

As of the date of this circular, we are not aware of any other matters to be brought before the meeting. However, if any other matter properly comes before the meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

### **Quorum**

According to our by-laws, we must have at least two persons present, holding or representing at least 5% of our outstanding common shares, for the meeting to proceed. Otherwise, the meeting will be adjourned to a set time and place and no other business will be transacted.

### **About voting results**

We will issue a news release with the voting results as soon as possible following the meeting. The voting results will also be available on our website ([www.rrexploration.com](http://www.rrexploration.com)) and on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Voting and Principal Shareholders**

We are authorized to issue an unlimited number of common shares.

As at March 29, 2017, we had 231,145,688 common shares issued and outstanding. The outstanding common shares are listed and trade on the TSX (TSX: RRX).

Shareholders are entitled to one vote per common share they hold on a any vote by ballot at the meeting. If a poll vote is not completed, all votes will be decided by a show of hands, with every eligible person present entitled to one vote.

To the best of our knowledge, no person beneficially owns, controls or directs, directly or indirectly, more than 10% of our common shares.



## Who can vote

You can vote at our annual meeting if you held common shares at the close of business on March 29, 2017, unless you transfer your common shares after such date and the transferee of those common shares, having produced properly endorsed certificates evidencing such common shares or having otherwise established that he or she owns such common shares, demands, not later than 10 days before the meeting, that the transferee's name be included in the list of shareholders entitled to vote at the meeting, in which case such transferee shall be entitled to vote such common shares at the meeting.

## How to vote

You can vote your common shares by proxy, or by attending the meeting and voting in person.

### ***Voting by proxy***

#### *Registered shareholders*

You are a registered shareholder if you have share certificates registered in your name.

**Voting by proxy is the easiest way to vote because you can appoint someone to represent you (your proxyholder) and vote your common shares according to your instructions. Your proxyholder can be anyone and does not need to be a Raging River shareholder.**

The executive officers of Raging River named on the accompanying proxy form have agreed to serve as your proxyholder and will vote your common shares according to your instructions. If you do not specify your voting instructions, they will vote your common shares for each item of business as follows:

- for fixing the number of directors to be nominated at six;
- for the elections of each of our nominees as directors; and
- for appointing KPMG as our external auditors and authorizing our board to fix their remuneration as such.

You can vote by proxy in one of four ways:

- using a touchtone phone (call 1-866-249-7775) toll-free and follow the instructions
- on the internet ([www.investorvote.com](http://www.investorvote.com)) and follow the instructions on screen
- by completing the proxy form, then signing and dating it and mailing it in the enclosed envelope to the following address:

Computershare Trust Company of Canada, Proxy Department  
135 West Beaver Creek, P.O. Box 300  
Richmond Hill, Ontario, L4B 4R5

- by completing the proxy form, then signing and dating it and delivering it by hand to the following address:

Computershare Trust Company of Canada  
8th Floor, 100 University Avenue  
Toronto, Ontario, M5J 2Y1

If you vote by phone or on the internet, do not send back the proxy form.

If the common shares are held in the name of a corporation, you must use the enclosed proxy form and mail it in the enclosed envelope. The proxy must be signed under its corporate seal or by an authorized officer or attorney.

**If you want to appoint someone else to be your proxyholder, you must use the enclosed proxy form and print that person's name in the blank space provided on the form, or use the Internet ([www.investorvote.com](http://www.investorvote.com)).**

Your proxyholder must vote your common shares according to your instructions. If you appoint someone else to be your proxyholder and do not give them specific voting instructions, they can vote as they see fit, using their best judgment.

If there are changes to the items of business or other matters that are properly brought before the meeting, your proxyholder can use their discretion and vote as they see fit, using their best judgment. At the time that this document went to print, we did not anticipate any changes or other matters to be brought before the meeting.

#### *Beneficial shareholders*

Many of our common shares are held by beneficial shareholders. You are a beneficial shareholder if your common shares are registered in the name of a nominee, such as your bank, trust company, securities broker, trustee or other institution.

If you are a beneficial owner of our common shares and have received this information from us, we have obtained your details from your broker and have complied with all regulatory requirements. We are responsible for delivering these materials to you and for executing your voting instructions.

In Canada, the majority of beneficially owned common shares are registered under CDS & Co., the registration name for CDS Clearing and Depository Services Inc. (*CDS*), which acts as the nominee for many Canadian brokerage firms. In the United States (*U.S.*), most common shares are registered in the name of Cede & Co., the nominee of The Depository Trust Company, which is the U.S. equivalent of CDS.

Nominees can only vote the common shares for their clients if they have received specific voting instructions from them.

To vote your common shares as a beneficial shareholder, you must give your broker your voting instructions using the proxy form or voting instruction form provided in this package. Be sure to follow the instructions provided on the form to allow enough time for your voting instructions to reach your nominee so they have enough time to process them prior to the meeting.

Most nominees delegate responsibility for obtaining voting instructions from their clients to Broadridge Financial Solutions Inc. (*Broadridge*). Broadridge usually mails a scannable voting instruction form that is to be completed and returned to them by mail or fax. You can also call a toll-free phone number or access Broadridge's dedicated voting website to submit your voting instructions.

If you received a proxy form or voting materials from a company other than Broadridge, you need to complete and return such form following the instructions they have provided.

### ***Voting in person***

If you are a registered shareholder and want to attend the meeting do not complete a proxy or vote by proxy in any other manner as your vote will be taken at the meeting.

If you are a beneficial shareholder and you want to attend the meeting and vote your shares in person, you must print your own name as the proxyholder on the proxy or voting instruction form and return it in the enclosed envelope. Do not complete the rest of the form or submit your voting instructions because your vote will be taken at the meeting. If your proxy form or voting instruction form indicates that you can vote online, you must type your name as proxyholder on the online form according to the instructions.

### ***Deadline***

Computershare Trust Company of Canada (*Computershare*) is our transfer agent. **Computershare must receive your completed proxy form or voting instructions by 10:00 a.m. (Calgary time) on May 5, 2017 or, if the meeting is adjourned, at least 48 hours before the meeting (not including Saturdays, Sundays or holidays).**

If you are a beneficial shareholder, your nominee shall have their own deadline for receipt of your voting instructions. We suggest that you send your voting instructions right away to allow enough time for your nominee to receive the information and then send it to Computershare.

### ***Changing your vote***

You can revoke a proxy form you previously submitted by sending us a revocation notice in writing from you, or an attorney to whom you have given written authorization. If the shareholder is a corporation, the change must be made under its corporate seal or by an authorized officer or attorney. The written revocation notice must be delivered to our head office any time **before 4:30 p.m. (Calgary time) on the last business day before the meeting**, or to the chair of the meeting before the start of the meeting. You can also revoke your proxy in any other way the law allows.

If you are a beneficial shareholder, contact your broker, financial institution or the nominee that holds your common shares to revoke your voting instructions.

### ***Notice and Access***

We have 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 to those of you who do not hold your common shares in your own name. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that we must physically mail to you by allowing us to post the circular and related materials online.

We have also elected to use procedures known as 'stratification' in relation to our use of the Notice-and-Access Provisions. Stratification occurs when we, while using the Notice-and-Access Provisions, provide a paper copy of our notice of meeting and circular and a paper copy of our financial statements and related management's discussion and analysis to some of our shareholders. In relation to the meeting, our registered shareholders will receive a paper copy of each of the notice of the meeting, this circular, our financial statements and related management's discussion and analysis and a form of proxy whereas our shareholders who do not hold their common shares in their own name will receive only a Notice-and-Access Notification and a voting instruction form. Furthermore, a paper copy of our financial statements and related management's discussion in respect of our most recent financial year will be mailed to those shareholders who do not hold their common shares in their own name but who have previously requested

to receive paper copies of our financial information.

We will be delivering a Notice-and-Access Notification and a voting instruction form to non-objecting beneficial owners of common shares with the assistance of Broadridge and we intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of our common shares.

## DIRECTOR PROFILES

The following profiles give information about each nominated director, including their background and experience, meeting attendance, security ownership and other public company boards on which they serve.

Neil Roszell				
Director since: December 15, 2011 Alberta, Canada Age: 49 Votes for at 2016 meeting: 185,289,327 (100.00%)		<b>Key Skills and Experience</b> Executive Leadership Strategic Planning and Execution Operations Reserves and Resource Development and Evaluation Corporate Finance, Capital Markets and Investor Relations		
Mr. Roszell is the President and Chief Executive Officer of the corporation and he is a professional engineer with 26 years of industry experience. Mr. Roszell was the President and Chief Executive Officer of Wild Stream from October 2009 until the Arrangement was completed. He was also the President and Chief Executive Officer of Wild River Resources Ltd. from February 2007 until July 2009. Mr. Roszell was the President and Chief Operating Officer of Prairie Schooner Energy Ltd. from August 2004 until September 2006. Mr. Roszell was Vice President, Engineering of Great Northern Exploration Ltd. from September 2001 to June 2004. Mr. Roszell is a professional engineer and he has a Bachelor of Applied Science in Industrial Systems Engineering from the University of Regina.				
Mr. Roszell is not currently a member of any Board Committees; however, he is invited to all Committee meetings as a non-voting observer.				
Board and committee membership and attendance since January 1, 2016		Other public company boards	Total Compensation Earned <sup>(4)</sup>	
Board Member	12/12	Gear Energy Ltd. (TSX)	2016	N/A
<b>Overall attendance</b>	<b>100%</b>		2015	N/A
			2014	N/A
Securities owned as of March 29, 2017				
Common Shares	DSUs	Equity At Risk <sup>(1)</sup>	Required Value of Share Ownership	Meets share ownership guidelines
7,455,830	N/A	\$71,948,760	\$1,170,000	Yes

## Gary Bugeaud

Director since: January 6, 2014  
 Alberta, Canada  
 Age: 55  
 Votes for at 2016 meeting: 153,364,464 (82.76%)

### Key Skills and Experience

Strategic Planning and Execution  
 Enterprise Risk Assessment  
 Legal, Regulatory and Governmental  
 Compensation and Human Resources  
 Corporate Governance

Mr. Bugeaud is a Corporate Director. He retired (December 31, 2013) as Managing Partner of Burnet, Duckworth & Palmer LLP. He is a director of Freehold Royalties Ltd., Trustee of Alberta Cancer Foundation and Member of the Dean's Advisory Committee of the College of Law of the University of Saskatchewan. He is a former corporate lawyer with over 23 years of legal experience focused on securities, corporate finance, mergers and acquisitions, and corporate governance matters. Mr. Bugeaud has a Bachelor of Commerce (Finance) degree and a Bachelor of Laws degree from the University of Saskatchewan. Mr. Bugeaud holds the ICD.D designation from the Institute of Corporate Directors.

Board and committee membership and attendance since January 1, 2016		Other public company boards	Total Compensation Earned <sup>(2)</sup>	
Board Member	12/12	Freehold Royalties Ltd. (TSX)	2016 <sup>(5)</sup>	\$136,880
Chair – C&CG Committee	4/4		2015 <sup>(6)</sup>	\$153,700
<b>Overall attendance</b>	<b>100%</b>		2014 <sup>(7)</sup>	\$142,680
Securities owned as of March 29, 2017				
Common Shares	DSUs	Equity At Risk <sup>(1)</sup>	Required Value of Share Ownership	Meets share ownership guidelines
358,966	20,288	\$3,659,801	\$450,000	Yes

## George Fink

Director since: December 15, 2011  
 Alberta, Canada  
 Age: 77  
 Votes for at the 2016 meeting: 179,309,014 (96.77%)

### Key Skills and Experience

Executive Leadership  
 Operations  
 Reserves and Resource Development and Evaluation  
 Financial Literacy  
 Health, Safety and Environment

Currently Mr. Fink is the Chairman, Chief Executive Officer and Director of Bonterra Energy Corp. Mr. Fink was a director of Wild Stream. Mr. Fink also serves on the board of directors of Pine Cliff Energy Ltd. Mr. Fink is a Chartered Accountant and has a Bachelor of Commerce degree from the University of Saskatchewan.

Board and committee membership and attendance since January 1, 2016		Other public company boards	Total Compensation Earned <sup>(2)</sup>	
Board Member	12/12	Bonterra Energy Corp. (TSX)	2016 <sup>(5)</sup>	\$126,880
Member – C&CG Committee	4/4	Pine Cliff Energy Ltd. (TSX)	2015 <sup>(6)</sup>	\$153,700
Member – Reserves Committee	2/2		2014 <sup>(7)</sup>	\$142,680
Member – Audit Committee	5/5			
<b>Overall attendance</b>	<b>100%</b>			
Securities owned as of March 29, 2017				
Common Shares	DSUs	Equity At Risk <sup>(1)</sup>	Required Value of Share Ownership	Meets share ownership guidelines
865,303	19,340	\$8,536,805	\$390,000	Yes

## Raymond Mack

Director since: December 15, 2011  
 Alberta, Canada  
 Age: 66  
 Votes for at the 2016 meeting: 185,097,944 (99.89%)

### Key Skills and Experience

Executive Leadership  
 Financial literacy  
 Corporate Governance

Mr. Mack has been a partner with Kenway Mack Slusarchuk Stewart LLP, Chartered Accountants since October, 1986. Mr. Mack was a director of Wild Stream. From March 2002 to December 30, 2005 he was the President, Chief Executive Officer and Secretary of Transborder Capital Inc. Mr. Mack is a Chartered Accountant and he has a Bachelor of Commerce degree from the University of British Columbia.

Board and committee membership and attendance since January 1, 2016		Other public company boards	Total Compensation Earned <sup>(2)</sup>	
Board Member	12/12	None	2016 <sup>(5)</sup>	\$141,880
Chair – Audit Committee	5/5		2015 <sup>(6)</sup>	\$153,700
<b>Overall attendance</b>	<b>100%</b>		2014 <sup>(7)</sup>	\$142,680
Securities owned as of March 29, 2017				
Common Shares	DSUs	Equity At Risk <sup>(1)</sup>	Required Value of Share Ownership	Meets share ownership guidelines
596,336	13,184	\$5,881,868	\$480,000	Yes

## Kevin Olson

Director since: December 15, 2011  
 Alberta, Canada  
 Age: 48  
 Votes for at the 2016 meeting: 185,121,670 (99.39%)

### Skills and Experience

Strategic Planning and Execution  
 Operations  
 Reserves and Resource Development and Evaluation  
 Financial literacy  
 Corporate Finance, Capital Markets and Investor Relations

Mr. Olson is the Fund Manager of a private equity fund and has held this or similar positions since October 2001. Mr. Olson was a director of Wild Stream and of Wild River Resources Ltd. from February 2007 until July 2009. Mr. Olson has a Bachelor of Commerce degree from the University of Calgary.

Board and committee membership and attendance since January 1, 2016		Other public company boards	Total Compensation Earned <sup>(2)</sup>	
Lead Independent Director	12/12	Gear Energy Ltd. (TSX)	2016 <sup>(5)</sup>	\$151,880
Member – Audit Committee	5/5		2015 <sup>(6)</sup>	\$153,700
Member – Reserves Committee	2/2		2014 <sup>(7)</sup>	\$142,680
<b>Overall attendance</b>	<b>100%</b>			
Securities owned as of March 29, 2017				
Common Shares	DSUs	Equity At Risk <sup>(1)</sup>	Required Value of Share Ownership	Meets share ownership guidelines
1,094,059	21,708	\$10,767,152	\$540,000	Yes

## David Pearce

Director since: March 5, 2012  
 Alberta, Canada  
 Age: 63  
 Votes for at the 2016 meeting: 184,175,076 (99.39%)

### Key Skills and Experience

Strategic Planning and Execution  
 Reserves and Resource Development and Evaluation  
 Marketing and Transportation  
 Executive Leadership  
 Corporate Governance

Mr. Pearce has been a Partner at AZIMUTH Capital Management (formerly KERN Partners) from November 2008 to present. From June 1999 to January 2008, Mr. Pearce was with Northrock Resources Ltd. where he held several senior officer positions and most recently was the President and Chief Executive Officer. Prior thereto, Mr. Pearce was Vice President, Corporate Development at Fletcher Challenge Canada. Mr. Pearce is a professional engineer. Mr. Pearce has a Bachelor of Sciences degree in Mechanical Engineering.

Board and committee membership and attendance since January 1, 2016		Other public company boards	Total Compensation Earned <sup>(2)</sup>	
Board Member	12/12	None	2016 <sup>(5)</sup>	\$134,380
Member – C&CG Committee	4/4		2015 <sup>(6)</sup>	\$153,700
Chair – Reserves Committee	2/2		2014 <sup>(7)</sup>	\$142,680
<b>Overall attendance</b>	<b>100%</b>			

Securities owned as of March 29, 2017				
Common Shares	DSUs	Equity At Risk <sup>(1)</sup>	Required Value of Share Ownership	Meets share ownership guidelines
109,167	20,051	\$1,246,954	\$435,000	Yes

### Notes:

- (1) The "Equity At Risk" for 2016 is calculated as the total value of common shares and DSUs based on \$9.65, which is the closing price of our common shares on the TSX on March 29, 2017.
- (2) See "*Director Compensation*" for a description of the fees paid to our directors.
- (3) All compensation earned information set forth above is as of December 31 of the applicable year.
- (4) Mr. Roszell does not receive compensation for acting as a director of Raging River.
- (5) The compensation reported includes the value of DSUs granted in the year ended December 31, 2016. The value of DSUs is based on the number of DSUs granted multiplied by the closing price per common share on the TSX for the trading day on the date of the grant. This methodology for calculating the fair value of the DSU awards on the grant date is consistent with the initial fair value determined in accordance with IFRS 2. As a result, the total compensation expense for these DSU grants under IFRS for the year ended December 31, 2016 would be approximately \$611,800 in aggregate for all directors.
- (6) Based on the grant date fair value of the Options. The fair value of Options granted to each of the directors during the year ended December 31, 2015, was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 40 percent, risk-free interest rate of 0.69 percent, and an expected life of 3.5 years, resulting in a value per Option of \$2.65. No annual retainer was paid to our directors during the year ended 2015.
- (7) Based on the grant date fair value of the Options. The fair value of Options granted to each of the directors during the year ended December 31, 2014, was estimated on the date of grant using the Black Scholes option pricing model with the following assumptions: dividend yield of zero percent, expected volatility of 30 percent, risk-free interest rate of 1.40 percent, and an expected life of 3.5 years, resulting in a value per option of \$2.46. No annual retainer was paid to our directors during the year ended 2015.

### Share Ownership Guidelines

With a view to aligning the long-term interests of our non-management directors with those of our shareholders, in April 2015, we implemented share ownership guidelines for non-management directors. Pursuant to the non-management director share ownership guidelines, our non-management directors were required to hold common shares with a value of not less than \$300,000. In March 2016, upon the commencement of paying our directors cash retainers, the board amended the non-management share ownership guidelines to provide that each of our non-management directors is required to hold common shares or DSUs or a combination thereof with a value of not less than six times the annual cash retainers of such non-management directors. Any new directors will be expected to achieve this level within three

years of their election or appointment to our board.

In addition, Neil Roszell, our CEO, is subject to share ownership requirements, which require Mr. Roszell to hold common shares with a value of not less than three times his annual base salary. In addition, the board has implemented post exercise/settlement holding periods in respect of the common shares Mr. Roszell receives on the exercise or settlement of Options and Awards that will require Mr. Roszell to hold such common shares for a minimum period of three years following the exercise or settlement of Options or Awards.

As indicated in the above director profiles, all of our current directors, including Mr. Roszell, significantly exceed the applicable share ownership guidelines.



## CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 - *Disclosure of Corporate Governance Practices (NI 58-101)* requires that if management of an issuer solicits proxies from its securityholders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The following information outlines our corporate governance practices within the context of NI 58-101. Information relating to our Audit Committee as required by National Instrument 52-110 – *Audit Committees* can be found in our AIF for the year ending December 31, 2016 on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **Board of Directors**

Under NI 58-101, an independent director is a director who has no material relationship with Raging River which could, in the view of our board, be reasonably expected to interfere with the exercise of such director's independent judgement. A majority of the proposed nominees for election as directors of the corporation (83%) are independent. Our board, on the recommendation of the C&CG Committee, has determined that five of our six proposed nominees are independent for purposes of NI 58-101. The five proposed independent directors are: Gary Bugeaud, George Fink, Raymond Mack, Kevin Olson and David Pearce.

Neil Roszell is not independent as he is the CEO of the corporation.

For additional information about each of our proposed directors, including with respect to other directorships that such directors hold, see "*Director Profiles*".

### **Board Mandate**

The Mandate of the board is attached to this circular as Appendix "A".

### **Lead Independent Director**

Our board does not have an independent Chairman; however, Kevin Olson, an independent director, serves as lead independent director (the *Lead Independent Director*). The Lead Independent Director's primary role is to act as liaison between our management and our independent directors to ensure our board is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the Mandate of the board. In addition, the Lead Independent Director has the following responsibilities: (A) to chair the "in camera" portions of board meetings held without management being present; (B) endeavour to ensure that board leadership responsibilities are conducted in a manner that will allow it to function independently of management; (C) liaise with directors, officers, employees, shareholders and our other stakeholders to address any areas of concerns raised by such stakeholders; (D) provide input on preparation of agendas for meetings of the board; (E) meet periodically with each director to obtain insight as to where they believe the board and its committees could be operating more effectively; (F) ensure that reasonable procedures are in place for directors to engage outside advisors at our expense in appropriate circumstances; and (G) perform such other duties and responsibilities as may be delegated to the Lead Independent Director by our board from time to time. In addition, the Lead Independent Director will have the right to convene meetings of our board and approve any meeting materials for such meetings.

### **Meetings of Independent Directors**

At the end of or during each meeting of our board or any committee of the board, the non-management directors are given the opportunity to meet in camera without the members of our management, including the CEO, present. In addition, other meetings of the independent directors may be held from time to time if required. Since the beginning of the corporation's most recently completed financial year, 18 in camera sessions were held without members of management (including the CEO) present.

## Attendance

The following is the attendance record of each director for all board meetings and meetings of our standing committees held since the beginning of the issuer's most recently completed financial year.

	Board	Audit	C&CG Committee	Reserves	Total	Attendance Rating %
Gary Bugeaud	12/12	N/A	4/4	N/A	16/16	100
George Fink	12/12	5/5	4/4	2/2	23/23	100
Raymond Mack	12/12	5/5	N/A	N/A	17/17	100
Kevin Olson	12/12	5/5	N/A	2/2	19/19	100
David Pearce	12/12	N/A	4/4	2/2	18/18	100
Neil Roszell	12/12	N/A	N/A	N/A	12/12	100

## Position Descriptions

Our board has developed written position descriptions for our CEO, our Lead Independent Director and for each Chairman of each of the committees of our board.

## Orientation and Continuing Education

While we do not currently have a formal orientation and educational program for new recruits to the board, we intend to provide such orientation and education on an informal basis for any future appointees. Our management will provide new members of our board with corporate policies, historical information about Raging River and information on our performance and strategic plan. In addition, new members of our board will be provided with an outline of the general duties and responsibilities entailed in carrying out their duties. Our board believes that these procedures are and will prove to be a practical and effective approach in light of our particular circumstances, including our size, the limited turnover of our directors and the experience and expertise of the members of the board.

Our management provides directors with regular opportunities to increase their knowledge and understanding of our business. Pre-meeting reading materials are provided in quarterly board packages sent to directors in advance of our regularly scheduled board meetings. Briefings on strategic issues are conducted annually and typically include reviews of the competitive environment and our performance relative to our peers. From time to time, our management brings in industry experts to brief our directors on activity and trends in the oil and gas sector, including mergers and acquisitions, financings, and market activity, and to assist our board in making strategic decisions. Information on any other developments that could materially affect our business is provided as developments occur. In addition, our board is briefed regularly on governance developments and emerging best practices in governance.

## Ethical Business Conduct

Our board has adopted a Code of Business Conduct and Ethics (the *Code*) applicable to our directors, officers and employees. A copy of the Code is available for review on SEDAR at ([www.sedar.com](http://www.sedar.com)). All employees and consultants are provided with a copy of the Code on commencement of service and are required to confirm in writing that they have read and understand the Code and acknowledge his or her agreement to abide by the Code. Annual reminders that compliance with the Code is required are provided.

There have been no material change reports filed since the beginning of our most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

In accordance with the ABCA, directors who are a party to, or are a director or an officer of 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 not to vote on any resolution to approve the contract or transaction. In addition, in certain cases, an independent committee

of the board may be formed to deliberate on such matters in the absence of the interested party.

In addition to the Code, our board has also adopted a "Whistleblower Policy" wherein our employees are provided with the mechanics by which they may raise concerns in a confidential, anonymous process.

### **Nomination of Directors**

The C&CG Committee, which is responsible for nominating directors, is comprised of independent directors. The members of the C&CG Committee are Gary Bugeaud, George Fink and Dave Pearce. Each of Messrs. Bugeaud, Fink and Pearce have been determined to be independent. The C&CG Committee is responsible for recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of our board and governing the desirable characteristics for directors.

The C&CG Committee is also to review on a periodic basis the composition of our board to ensure that an appropriate number of independent directors sit on our board, and analyze the needs of our board and recommend nominees who meet such needs.

### **Compensation**

As discussed under "*Executive and Director Compensation*" the C&CG Committee is responsible for formulating and making recommendations to our board in respect of human resources and compensation issues relating to our directors, officers and employees. As noted above, the C&CG Committee is comprised of independent directors.

The C&CG Committee has the authority and responsibility for compensation matters including: (i) reviewing and reporting to our board concerning our overall compensation program and philosophy; (ii) reviewing and recommending to our board the compensation program, remuneration levels and incentive plans and any changes therein for our senior management, including the CEO; (iii) reviewing and approving corporate goals and objectives relevant to our CEO's compensation, evaluating our CEO's performance in light of those goals and objectives, and either, as a Committee or together with our independent directors (as determined by the board) determining and approving our CEO's compensation based on this evaluation; (iv) making recommendations to our board with respect to compensation of our executive officers other than the CEO and incentive compensation and equity based plans that are subject to board approval; (v) reviewing the adequacy and form of compensation to our directors ensuring it realistically reflects their responsibilities and risk and making recommendations to our board with respect thereto; (vi) reviewing annually and recommending for approval to our board our executive compensation disclosure and "*Statement of Executive Compensation*" disclosure in our information circular; (vii) reviewing annually the C&CG Committee's Mandate; (viii) administering any of our incentive plans implemented, in accordance with their respective terms; and (ix) reporting on our executive officer compensation on an annual basis.

### **Other Board Committees**

In addition to the Audit Committee and the C&CG Committee, our board also has a Reserves Committee. The members of the Reserve Committee are George Fink, Kevin Olson and David Pearce, all of whom are independent directors in accordance with NI 58-101. The Reserves Committee is responsible for overseeing the evaluation of the corporation's petroleum and natural gas reserves, including the retention of one or more independent "qualified reserves evaluators or auditors" (as defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities (NI 51-101)*), to report to the Reserves Committee (or, if requested, the board) on our "reserves data" (as defined in NI 51-101).

In addition to the responsibilities of our C&CG Committee relating to nominations and compensation our C&CG Committee has a number of responsibilities relating to corporate governance matters. The responsibilities of the Reserves Committee and the corporate governance responsibilities of our C&CG Committee are described below.

## **Reserves Committee**

The Reserves Committee's general responsibilities include: (i) discussing and reviewing with our management the selection of the independent engineering firm which is qualified to prepare a report of an evaluation of the corporation's reserves data; (ii) reviewing, with reasonable frequency, our procedures relating to the disclosure of information with respect to oil and gas activities including our procedures for complying with disclosure requirements and restrictions of NI 51-101; (iii) reviewing the appointment of an independent engineering firm and, in the case of any proposed change in such appointment, determine the reasons for the proposal and whether there have been any disputes between the engineering firm and our management; (iv) reviewing, with reasonable frequency, our procedures for providing information to the our independent qualified reserves evaluator for the purposes of NI 51-101; (v) before approving the filing of the "reserves data" and other information required by Form 51-101F1 under NI 51-101 (*Form 51-101F1*), meeting with our management and the engineering firm to: (A) determine whether any restrictions affect the ability of the engineering firm to report on "reserves data" without reservation; and (B) review the "reserves data" and other information required by Form 51-101F1 of NI 51-101; (vi) reviewing and recommending to our board, when appropriate: (A) the content and filing with the appropriate securities regulatory authorities of the "reserves data" and other information specified in Form 51-101F1; (B) the filing of the report of the independent qualified reserves evaluator or auditor in accordance with Form 51-101F2 of NI 51-101; and (C) the content and filing of the report of our management and directors in accordance with Form 51-101F3 of NI 51-101.

## **C&CG Committee Corporate Governance Responsibilities**

The C&CG Committee has the authority and responsibility for corporate governance matters including: (i) reviewing the mandates of the board and its committees and recommending to our board such amendments to those mandates as the C&CG Committee believes are necessary or desirable; (ii) considering and, if thought fit, approving requests from our directors or committees of directors of the engagement of special advisors from time to time; (iii) preparing and recommending to our board a statement of our corporate governance practices to be included in the our annual report or information circular; (iv) developing and recommending to our board a set of corporate governance guidelines applicable to the corporation; (v) overseeing the evaluation of our board and management; (vi) implementation of an orientation and education program for new recruits to our board; (vii) with the assistance or recommendations of management or outside consultants where appropriate, making recommendations to our board regarding appointments of corporate officers and senior management; (viii) conducting an annual performance evaluation of the C&CG Committee in the corporation's annual management information circular in accordance with applicable rules and regulations; and (ix) reviewing and recommending to our board the succession plan for senior executives and matters in respect of executive capacity.

The C&CG Committee is authorized to engage outside advisors to assist the C&CG Committee in compensation and corporate governance matters and has the authority to approve such advisors' fees and other retention terms.

## **Assessments**

Our C&CG Committee is responsible for evaluating the effectiveness of the board, committees and individual directors. In March 2017 each of our directors completed an evaluation of their own skills and contributions to the corporation as well as the skills and contributions of the other members of the board. The directors also provided feedback on their views of the effectiveness of our board and each of its committees. The C&CG Committee used these evaluations to review the skills and experience of our directors to assess whether the board's skills and experience needed to be strengthened in any area. The C&CG Committee also assessed the knowledge and character of all directors and other factors such as independence of the directors to ensure that our board is operating effectively and independently of management. As a result of the evaluations conducted, the C&CG Committee determined that our board as a whole has the necessary skills and experience for a company of our size operating in the oil and gas industry. In addition, the C&CG Committee came to a view that our board and each of its committees is

operating effectively and the size and composition of each is appropriate.

### **Director Term Limits and Other Mechanisms for Board Renewal**

Based on the recommendations of the C&CG Committee, our board has adopted a Board Diversity and Renewal Policy (the *Diversity and Renewal Policy*), which includes mechanisms for ensuring board renewal. As part of the board's renewal process under the Diversity and Renewal Policy and pursuant to the mandate of the C&CG Committee, the C&CG Committee annually reviews the skills and experience of the current directors of Raging River to assess whether the board's skills and experience need to be strengthened in any area. Below are the skills and competencies that our board has determined are important to our continuing success. In conducting its annual review the C&CG Committee evaluates the skills and experience of the individual board members and the board as a whole. As noted above, the C&CG Committee has determined that our board, as a whole, possesses appropriate experience in all of these key areas.

## **Board Skills and Competencies**

<b>Skill / Competency</b>	<b>Description</b>
Executive Leadership	Experience as a Chief Executive Officer, senior officer or equivalent
Strategic Planning and Execution	Board, executive or professional experience in evaluating, and executing on, value creation opportunities through acquisitions, divestiture, mergers or developmental opportunities
Operations	Management or professional experience with oil and natural gas operations
Reserves and Resource Development and Evaluation	Board or professional experience with, or management responsibility for, oil and natural gas reserve and resource development, evaluation and/or reporting
Financial Literacy	Ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the corporation's financial statements
Legal, Regulatory and Governmental	Broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in western Canada and governmental royalty, incentive and taxation policies usually through management experience or a legal background
Enterprise Risk Assessment	Board, executive or professional experience in evaluating and managing risks in the oil and natural gas business
Health, Safety & Environment	Board, management or professional experience with environmental compliance and workplace health and safety in the oil and gas industry
Marketing and Transportation	Management or professional experience with oil and natural gas marketing and transportation
Compensation and Human Resources	Management or professional experience in human resources and executive compensation
Corporate Finance, Capital Markets and Investor Relations	Understanding of capital markets, corporate finance, investor relations and banking matters usually from experience in the corporate finance or banking industry or significant experience in a management position dealing directly with such matters
Corporate Governance	Broad understanding of good corporate governance usually through Board, professional or senior management experience

In addition to considering the skills and experience of our board, the C&CG Committee also assesses the knowledge and character of all members of our board and other factors such as independence of our directors to ensure that the board is operating effectively and independently of management. Our board has not set a limit on the number of annual terms that our directors may stand for re-election. While term limits ensure fresh viewpoints on a board of directors, they also cause a company to lose the valuable

contributions of those directors who best understand the business of the corporation and the challenges it faces.

### **Women Representation on the Board**

The Diversity and Renewal Policy as adopted by our board addresses the identification and nomination of women as directors of the corporation. The main principle of the Diversity and Renewal Policy as adopted by our board is that board nominations should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the board at the time. Raging River is committed to a meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve our business objectives, without reference to their gender, is in the best interests of Raging River and all of our stakeholders. Our board does however, recognize the benefits of diversity within the board and pursuant to the Diversity and Renewal Policy the board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for the board.

To ensure the effectiveness of Diversity and Renewal Policy, our C&CG Committee will review the number of women considered or brought forward as potential nominees for board positions when the board is looking to add additional members or replace existing members and the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates. The C&CG Committee will also review the number of women actually appointed and serving on our board to evaluate whether it is desirable to adopt additional requirements or policies with respect to the diversity of the board.

There are presently no women serving on the board. We have not imposed quotas or targets to be achieved by a specific date regarding the representation of women on our board. Our board believes that imposing quotas or targets regarding the representation of women on the board would compromise the principles of meritocracy.

### **Women Representation in Executive Officer Positions**

The Diversity and Renewal Policy as adopted by our board addresses the identification and appointment of qualified women as executive officers of the corporation. As noted above, Raging River is committed to a meritocracy and believes that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide leadership needed to achieve our business objectives, without reference to their gender, race, ethnicity or religion, is in the best interests of Raging River and all of our stakeholders. As such, pursuant to the Diversity and Renewal Policy, our board believes that executive officer appointments should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of our management at the time. Our board does, however, recognize the benefits of diversity within management and pursuant to the Diversity and Renewal Policy our board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

To ensure the effectiveness of Diversity and Renewal Policy, our C&CG Committee will review the number of women considered or brought forward as potential candidates for executive officer positions and the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates. The C&CG Committee also will review the number of women actually appointed and serving as executive officers to evaluate whether it is desirable to adopt additional requirements or policies with respect to the diversity of our management.

There are presently no women serving in executive officer positions. We have not imposed quotas or targets to be achieved by a specific date regarding the representation of women in executive officer positions. Our board believes that imposing quotas or targets regarding the representation of women in

executive officer positions would compromise the principles of meritocracy.

## **EXECUTIVE AND DIRECTOR COMPENSATION**

This section of our circular describes Raging River's executive and director compensation programs. It includes information relating to our governance with respect to compensation decisions, our philosophy and approach to compensation, the methodologies and market research we use in determining compensation, the actual compensation paid to executives in the three most recently completed financial years, the compensation paid to directors in 2016 and the recent decisions of our C&CG Committee and our board in relation to our executive and director compensation programs.

### **Compensation Governance**

#### ***C&CG Committee Mandate***

Our C&CG Committee has adopted a mandate for the C&CG Committee, which provides that its responsibility is to formulate and make recommendations to the board in respect of human resources and compensation issues relating to directors, officers and employees of the corporation. The mandate of the C&CG Committee is further described under "*Corporate Governance Disclosure – Compensation*".

#### ***Composition of the C&CG Committee***

The C&CG Committee is comprised of Gary Bugeaud, George Fink and David Pearce, each of whom are considered to be independent directors as determined in accordance with NI 58-101.

As described under "*Director Profiles*", each of Messrs. Fink, Pearce and Bugeaud have held senior executive management positions in various entities and in such roles have been involved in human resources and compensation issues. The skills and experience possessed by members of the C&CG Committee acquired as a result of their lengthy and extensive business or professional careers and experience as described above will assist and enable them to make decisions on the suitability of the corporation's compensation policies and practice. In addition to the committee's collective experience in compensation matters, all committee members stay informed of developments and trends in compensation matters and applicable legal and regulatory requirements.

#### ***Risks Relating to our Compensation Programs***

In establishing our executive compensation programs the C&CG Committee also considers the implication of the risks associated with our compensation program, including: (i) the risk of executives taking inappropriate or excessive risks; (ii) the risk of inappropriate focus on achieving short term goals at the expense of long term return to shareholders; (iii) the risk of encouraging aggressive accounting practices; and (iv) the risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety.

While no program can fully mitigate these risks we believe that many of these risks are mitigated by: (i) weighting our long term incentives towards share ownership and vesting our long term incentives over a number of years; (ii) establishing uniform incentive programs for all executive officers and employees; (iii) avoiding narrowly focused performance goals which may encourage loss of focus on providing long term shareholder return; (iv) retaining adequate discretion to insure that the C&CG Committee and our board retain their business judgment in assessing actual performance; and (v) implementing share ownership requirements and post exercise/settlement holding periods applicable to our CEO (see "*Director Profiles – Share Ownership Guidelines*"); and (vi) establishing robust restrictions on the ability of executives to participate in transactions that are designed to hedge or offset a decrease in market value of securities of the corporation as discussed below under the heading "*Prohibition on Certain Short Sales, Puts, Calls and Options*".

In addition, our C&CG Committee believes that the significant share ownership of each of our Named Executive Officers (as defined below) align the interests of those Named Executive Officers



with those of our shareholders which mitigates against the likelihood of undue risk taking by such Named Executive Officers. Each of the Named Executive Officers holds common shares and Restricted Awards with an aggregate value of well in excess of such Named Executive Officer's total compensation received in 2016. The following table sets out the common shares and Restricted Awards owned, directly or indirectly, by each of the Named Executive Officers and the value of such common shares and Restricted Awards as at March 29, 2017.

Name	Common Shares Held	Restricted Awards Held <sup>(1)</sup>	Equity At Risk (\$)	2017 Base Salary (\$)	Multiple of Total Equity at Risk relative to 2017 Base Salary
Neil Roszell	7,455,830	16,250	72,105,572	390,000	185x
Jerry Sapieha	2,546,238	11,250	24,679,760	280,000	88x
Bruce Beynon	568,315	11,250	5,592,802	280,000	20x
Jason Jaskela	1,508,900	11,250	14,669,448	280,000	52x
Jesse Barlow	29,329	8,750	367,462	230,000	2x

Notes:

- (1) Performance Awards are not included for the purposes of the above calculations due to the variable nature of the number of notional common shares underlying such Performance Awards.
- (2) "Equity At Risk" means the value of the common shares and Restricted Awards by the individual, calculated based on the closing price of our common shares on the TSX on March 29, 2017 multiplied by the number of common shares held by such officer plus the number of common shares underlying the Restricted Awards held by such officer.

### ***Prohibition on Hedging***

Pursuant to our Disclosure, Confidentiality and Trading Policy, directors, officers and all employees of the corporation, shall not knowingly, directly or indirectly, engage in hedging activities relating to securities of the Corporation and such persons shall not directly or indirectly, sell a security of the corporation if such persons selling such security do not own or have not fully paid for the security to be sold. Directors, officers and employees of the corporation shall not, directly or indirectly, engage in any of the following transactions: (i) buying or selling a call or put in respect of a security of the corporation; (ii) selling the corporation's securities short; or (iii) purchasing any other financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of securities of the corporation. Notwithstanding these prohibitions, directors, officers and employees of the corporation are not prohibited from selling a security of the corporation which such person does not own if such person owns another security convertible into such security or an option or right to acquire such security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the securities so associated to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

### **Compensation Discussion and Analysis**

In 2016, the board and the C&CG Committee established that our employee compensation, including executive officer compensation, be comprised of three elements: base salary, short-term incentive compensation (cash bonuses) and long-term incentive compensation (Options under the New Option Plan and Restricted Awards and Performance Awards under the Award Plan). The C&CG Committee reviewed all three components in assessing the compensation of our individual executive officers and of the corporation as a whole. Salaries and bonuses were intended to provide current compensation and a short-term incentive for employees to meet our corporate goals, as well as to remain competitive with the industry. Options, Restricted Awards and Performance Awards were granted as long-term incentives and to encourage commitment to the corporation.

The compensation philosophy includes a "pay-for-performance" element which supports our commitment to delivering continuous strong performance for our shareholders. In addition, our compensation philosophy is aimed at attracting and retaining high calibre and experienced people, which is critical to our

success for the benefit of our shareholders.

Our named executive officers (as defined in Form 51-102F6 as prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations*) as at December 31, 2016 were Neil Roszell, CEO, Jerry Sapieha, Vice President, Finance and Chief Financial Officer, Jason Jaskela, Vice President, Production and Chief Operating Officer, Bruce Beynon, Executive Vice President and Jesse Barlow, Vice President, Engineering (each a *Named Executive Officer* or a *NEO*).

When making recommendations with respect to salaries for the executive officers the C&CG Committee reviews the recommendations of the CEO. The C&CG Committee also reviews compensation information obtained by management and the C&CG Committee from comparable issuers. In selecting a benchmarking group for comparison purposes, management and the C&CG Committee considers the entities with which we compete for talent and, from that group, select benchmarking group members based on a comparison of broad corporate measures such as annual production, annual revenue and number of employees. The following are the companies selected by the corporation to be used as a benchmarking group:

Advantage Oil & Gas Ltd.  
Baytex Energy Corp.  
Birchcliff Energy Ltd.  
Bonavista Energy Corporation  
Bonterra Energy Corp.  
Crew Energy Inc.  
Kelt Exploration Ltd.

NuVista Energy Ltd.  
Painted Pony Petroleum Ltd.  
Pengrowth Energy Corporation  
Tamarack Valley Energy Ltd.  
TORC Oil & Gas Ltd.  
Trilogy Energy Corp.

The following provides a description of each element of compensation awarded our executive officers in 2016 and the basis for how each element was determined.

### **2016 Compensation Elements**

#### *Base Salaries*

Base salaries for our executive officers, including the CEO, are intended to be competitive with salaries paid to executive officers by the companies in the corporation's benchmarking group. In determining salaries the C&CG Committee and board reviewed the proposed salaries in the context of the total compensation packages for the executive officers. The C&CG Committee and the board reviews the salaries paid to the executive officers in light of the other components forming part of the total compensation package to ensure that the total compensation package is both competitive and reasonable relative to the total compensation packages of executive officers of the companies in our benchmarking group. In December 2014, our board, based on a recommendation from the C&CG Committee, determined that due to the precipitous drop and continuing volatility in oil prices to freeze the salaries of all executive officers for 2015 at 2014 levels.

In November of 2015, the Compensation Committee and the Board hired Lane Caputo Compensation Inc. (*Lane Caputo*) to review executive officer and director compensation of the corporation and to assist in structuring and implementing new compensation programs for our executive officers and directors. In 2016, based on the data compiled by both Lane Caputo and management, it was determined that the compensation levels received by our executives was low relative to our peers especially in light of the excellent performance of the corporation over the previous several years. In fact, it was noted by Lane Caputo that the historic total compensation received by the executives of the corporation was lower than the total compensation awarded to executives of companies in the bottom quartile of the benchmarking group even though Raging River's performance relative to such group has consistently been in the top quartile. As a result, the board, based on the recommendation of the C&CG Committee, raised the salaries of the executive officers so that such salaries would be closer to the median salaries of the corporation's benchmarking group. Effective January 1, 2016, the salary of the CEO was increased to \$390,000. Effective January 1, 2016, the salary of each of the Vice-President, Finance and Chief Financial Officer, the Executive Vice-President and the Vice-President, Production and Chief Operating

Officer was increased to \$280,000 and the salary of each of the other Vice-Presidents of the corporation, including the Vice-President, Engineering, was increased to \$230,000. The salaries of the executive officers have not been increased since January 1, 2016 and for 2017 were frozen at the 2016 levels.

### *Annual Bonuses*

Our short-term incentives include annual cash bonuses awarded to executive officers. The award of a bonus is recommended, in all cases (excluding the CEO) by the CEO and, if approved by the C&CG Committee, is then recommended to the board for final approval. The CEO's bonus is established by the C&CG Committee in consultation with the board. Bonus awards are ultimately approved by the board upon recommendation of the C&CG Committee and are based principally on corporate performance but departmental and individual performance may be taken into account.

We did not have any specific set criteria to evaluate corporate performance in 2016 for the purposes of determining bonus amounts; however, in making recommendations for bonuses our C&CG Committee considered actual performance in 2016 relative to certain expectations and targets which were discussed by our management and board at the start of 2016. The performance metrics used were consistent with those used in prior years. The C&CG Committee specifically noted the following positive results achieved in 2016:

- Production averaged 17,900 boe/d, a 31% increase (21% per share) from 2015 annual production of 13,715 boe/d (representing year over year production per debt adjusted common share growth of approximately 20%).
- Successfully advanced the use of new technologies including waterfloods and extended reach horizontal wells.
- Attained top decile general and administrative costs of \$1.14/boe, a 12% decrease from 2015.
- Proved developed producing reserves increased by 35% (24% per debt adjusted common share) to 33 mmboe (92% oil), proved reserves increased 25% (15% per debt adjusted common share) to 71.6 mmboe (94% oil) and proved plus probable reserves increased 23% (13% per debt adjusted common share) to 94 mmboe (94% oil).
- Finding, development and acquisition costs including the change in future development capital were:
  - \$26.86 per boe on a proved developed producing basis resulting in a recycle ratio of 1.1 times;
  - \$23.54/boe on a total proved basis resulting in a recycle ratio of 1.3 times; and
  - \$19.42/boe on a total proved plus probable basis resulting in a recycle ratio of 1.5 times.
- Finding and development costs including the change in future development capital were:
  - \$22.04 per boe on a proved developed producing basis resulting in a recycle ratio of 1.4 times.
  - \$22.16/boe on a total proved basis resulting in a recycle ratio of 1.3 times.
  - \$16.83/boe on a total proved plus probable basis resulting in a recycle ratio of 1.8 times.
- The trading price of the common shares on the TSX increased by approximately 26% to \$10.56 on December 30, 2016 from \$8.37 on December 31, 2015;
- Total net undeveloped land holdings increased 53% to 428,100 acres principally in our core Viking prospect areas in southwest Saskatchewan and southeast Alberta.
- Maintained balance sheet strength with year-end net debt of \$209.5 million representing 0.8 times

net debt to fourth quarter annualized funds flow from operations.

*For details of how the various financial measures and oil gas metrics presented above are calculated see our managements' discussion and analysis for the year ended December 31, 2016 and the press releases of the corporation dated February 7, 2017 and March 6, 2017, all of which are available on SEDAR ([www.sedar.com](http://www.sedar.com)). Disclosure provided herein in respect of barrel of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 million cubic feet of natural gas per one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of the reserves.*

As a result of achieving results that exceeded the high end of targets expected to be achieved, in December 2016 the C&CG Committee recommended and the board approved bonuses to be paid to the executive officers between the 50<sup>th</sup> percentile and the 75<sup>th</sup> percentile of bonuses awarded to executive officers of the companies in the benchmarking group. Fifty percent of the bonus amounts awarded in December 2016 were paid out in December 2016 with the remaining fifty percent paid out in March 2017 after the 2016 operating and financial results were finalized.

#### *Long-Term Incentive Compensation*

Generally, the board upon the recommendation of the C&CG Committee, grants approximately 35% of the annual long term incentive compensation in the form of Options under the New Option Plan with the remainder in the form of Awards under Award Plan. The aggregate number of Options and Awards granted to each executive officer or employee of the corporation is based on a multiple of the annual base salary of each of such executive officer or employee after consideration is given to a number of factors including the practices of other members of the corporation's benchmarking group, total compensation of such executive officers and employees, the mix of long-term compensation (such as Options and Awards) and other forms of compensation previously received by such executive officers and employees and the potential costs to the corporation. For executives, the Awards granted consist of approximately 75% Performance Awards and 25% Restricted Awards. The more senior the position of an employee receiving the grant of Awards, the more heavily the weighting towards Performance Awards and as such junior employees will receive primarily Restricted Awards. The following is a description of the New Option Plan and the Award Plan.

#### *New Option Plan*

The New Option Plan and the Options issuable thereunder were approved by shareholders on May 10, 2016 at the corporation's annual and special meeting of shareholders. Following the approval of the New Option Plan, no further grants of Options were made or will be made under the Old Option Plan. A summary of terms of the Old Option Plan is attached as Appendix "B" to this circular.

A copy of the New Option Plan was filed on the corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) under the heading "Other" on April 6, 2016. The following description of the New Option Plan is qualified, in its entirety, by the terms of the New Option Plan. Capitalized terms used in this section and not otherwise defined herein are defined in the New Option Plan.

The purpose of the New Option Plan is to promote a proprietary interest in the corporation and greater alignment of interests between officers, employees and consultants of the corporation and the shareholders, provide a compensation system for such officers, employees and consultants that is reflective of their responsibility and to assist the corporation in attracting and retaining experienced individuals. The New Option Plan is administered by the board (which may delegate its authority to the C&CG Committee or other committee), which has authority to interpret the New Option Plan, including any questions in respect of any Options granted thereunder. The Options granted thereunder are not

transferable or assignable.

Our officers, employees and consultants of the corporation (each, a *Grantee*) are eligible to participate in the New Option Plan. Non-management directors of the corporation are not eligible to participate in the New Option Plan. Options granted under the New Option Plan do not entitle the holder to any rights as a securityholder.

Our board sets the term of the Options granted under the New Option Plan provided that such term does not exceed a maximum term of six (6) years. Unless otherwise determined by the board, Options shall vest equally on the first, second and third anniversaries of the date of grant. The exercise price of Options shall not be less than the closing price of our common shares on the TSX on the trading day immediately preceding the date of grant of Options (the *Market Price*) or such other minimum price as may be required by the TSX.

In addition to the typical exercise method of issuing common shares to the holder in exchange for the payment of the exercise price of the Option, the New Option Plan also allows Options, if permitted by the board, to be exchanged for the issuance of common shares equal to the number determined by dividing the Market Price on the date of exercise into the difference between the Market Price and the exercise price of such Options. Additionally, any Grantee may make an offer to us, at any time, for the disposition and surrender by the same to the corporation (and the termination thereof) of any of the Options granted under the New Option Plan for an amount not to exceed Market Price (as of the date of the exercise) less the exercise price of the Options and the corporation has the sole discretion as to whether to accept such offer.

Under the New Option Plan, Options may be granted in respect of common shares provided that that aggregate number of common shares reserved for issuance under the New Option Plan does not exceed the lesser of: (i) 5.0% of the aggregate number of issued and outstanding common shares less the aggregate number common shares reserved for issuance under outstanding Awards under the Award Plan; and (ii) 6.5% of the aggregate number of common shares issued and outstanding less the aggregate number of common shares reserved for issuance under outstanding Options issued pursuant to the Old Option Plan and outstanding Awards under the Award Plan (collectively, the *Option Grant Limits*).

The New Option Plan limits Insider participation such that in aggregate, no more than 10% of the issued and outstanding common shares (on a non-diluted basis) may be reserved at any time for Insiders under the New Option Plan, together with all of our other Security Based Compensation Arrangements. Further, the number of securities we issue to Insiders within any twelve month period under all of our Security Based Compensation Arrangements (including the New Option Plan) cannot exceed 10% of the issued and outstanding common shares.

Our board has discretion to make amendments to the New Option Plan which it may deem necessary, without having to obtain shareholder approval provided that in all cases it does not make any of the following amendments without first obtaining approval of the shareholders: (i) increase the percentage of the issued and outstanding common shares that are available to be issued pursuant to granted and outstanding Options at any time pursuant to the Option Grant Limits; (ii) increase the number of common shares that may be issued to Insiders above the restrictions contained in the New Option Plan; (iii) permit non-management directors to participate in the New Option Plan or in any other way permit non-management directors to become eligible to receive Options under the New Option Plan; (iv) extend the expiry date of any outstanding Options under the New Option Plan; (v) make any reduction in exercise price of an Option or permit a reduction in the exercise price of an Option granted under the New Option Plan by the cancellation and immediate re-issue of Options or other entitlements; (vi) permit the transfer or assignment of Options except in the case of death of a Grantee; or (vii) amend the amendment provisions of the New Option Plan.

Under the New Option Plan, in case of a Grantee's death, the Grantee's personal or legal representative may within twelve months from the date of death and prior to the expiry time of the Options, exercise Options which were vested within such period after which time any remaining Options shall terminate and

become null and void. In addition, if a Grantee ceases to be an officer, employee or consultant of Raging River (other than as a result of death), and the date on which the Grantee ceases to be an officer, employee or consultant of Raging River (*Termination Date*) is prior to the expiry date of the Option, all Options held by the Grantee which have vested as of the Termination Date shall be forfeited by the Grantee effective on the earlier of: (a) the expiry date; and (b) the date that is 90 days from the Termination Date, and all Options which have not vested as of the Termination Date shall become null and void. These provisions are subject to any alternative arrangements that may be contained in a separate Option agreement or employment agreement between the corporation and a particular Grantee.

If a Change of Control occurs prior to the date on which the corporation pays cash or issues common shares to the Grantee in respect of an outstanding Option and the Grantee is terminated without cause in connection with such Change of Control or within six (6) months following such Change of Control, all Options shall vest and if such termination occurs prior to, or at the effective time of such Change of Control, the Grantee shall be entitled to exercise all Options held by the Grantee until immediately prior to the Change of Control and if such termination occurs following the Change of Control, the Grantee shall be entitled to exercise all such Options until the date that is 90 days after the Termination Date. Alternatively, if within six (6) months following a Change of Control, the Grantee voluntarily resigns for an event or events that constitute Good Reason, all Options held by the Grantee shall vest and the Grantee shall be entitled to exercise all Options held by such Grantee until the date that is 90 days after the Grantee's Termination Date.

If the corporation completes a transaction or a series of transactions whereby the corporation, substantially all of the common shares or substantially all of the corporation's property or assets become the property or assets of another person (the *Continuing Entity*) the corporation and the Continuing Entity shall take all necessary steps prior to or contemporaneously with the consummation of such transaction(s) to ensure all Options remain outstanding following the completion of the transactions and the Continuing Entity will assume all covenants and obligations of the corporation under the New Option Plan, the outstanding Options and the Option agreements in a manner that preserves and does not impair the rights of the recipients in any material respect, and the Continuing Entity may exercise every right and power of the corporation under the New Option Plan, and Raging River shall be relieved of its obligations thereunder.

As at March 29, 2017, the corporation had Options to potentially acquire 7,561,961 common shares (representing approximately 3.3% of the outstanding common shares) outstanding under the Old Option Plan and Options to acquire 2,322,500 common shares (representing approximately 1.0% of the outstanding common shares) outstanding under the New Option Plan.

#### *Award Plan*

On April 4, 2016, the board approved the adoption by the corporation of the Award Plan. On May 10, 2016, the shareholders approved the Award Plan and the securities issuable thereunder.

A copy of the Award Plan was filed on the corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) under the heading "Other" on April 6, 2016. The following description of the Award Plan is qualified, in its entirety, by the terms of the Award Plan. Capitalized terms used in this section of the circular and not otherwise defined herein are defined in the Award Plan.

The purpose of the Award Plan is to promote a proprietary interest in the corporation and greater alignment of interests between officers, employees and consultants of the corporation and the shareholders, provide a compensation system for such officers, employees and consultants that is reflective of their responsibility and to assist the corporation in attracting and retaining experienced individuals. The Award Plan is administered by the board (which may delegate its authority to the C&CG Committee or other committee), which has authority to interpret the Award Plan, including any questions in respect of any Restricted Awards or Performance Awards granted thereunder. The Awards granted thereunder are not assignable.

Under the Award Plan, Awards may be granted in respect of common shares provided that that

aggregate number of common shares reserved for issuance under the Award Plan does not exceed the lesser of: (i) 5.0% of the aggregate number of issued and outstanding common shares less the aggregate number common shares reserved for issuance under outstanding Options under the New Option Plan; and (ii) 6.5% of the aggregate number of common shares issued and outstanding less the aggregate number of common shares reserved for issuance under outstanding Options issued pursuant to the Old Option Plan and the New Option Plan (collectively, the *Award Limits*).

Notwithstanding any other provision in the Award Plan, Awards may be granted to officers, employees and consultants of the corporation (each, a *Grantee*) provided: (i) the number of common shares issuable to Insiders at any time, under all Security Based Compensation Arrangements, including the Award Plan, shall not exceed 10% of the issued and outstanding common shares; and (ii) the number of common shares issued to Insiders within any one year period, under all Security Based Compensation Arrangements, including the Award Plan, shall not exceed 10% of the issued and outstanding shares. Directors who are not employees of the corporation or any subsidiary of the corporation are not eligible to receive Awards under the Award Plan.

Awards initially have a notional value equivalent to the value of a common share. Restricted Awards vest on the first, second and third anniversaries of the date of grant, and are paid out on the vesting date, unless otherwise determined by the board, and subject to certain other events described below. No payment may be made upon settlement of the Restricted Awards on a date following December 10 of the third calendar year following the year in which the Restricted Award was granted (the *Expiry Date*). Upon vesting, each Restricted Award will be paid out in cash or by the issuance of common shares at the election of the board. If paid out in cash each Restricted Award will have a value equal to the closing price of the common shares on the trading day immediately prior to the payment date multiplied by the number of common shares underlying the Restricted Award, as adjusted for dividends paid on the common shares while such Restricted Award was outstanding. If the board elects to pay out the Restricted Awards in shares, Raging River will issue the number of fully paid and non-assessable common shares underlying such Restricted Award subject to adjustments for dividends. In addition, the board may elect to settle Restricted Awards by purchasing common shares on the TSX and providing such common shares to the holder of such Restricted Awards.

Performance Awards vest on the later of the completion of the Performance Period applicable to such Performance Award and the third anniversary of the date of grant of such Performance Award and are paid out on the vesting date, unless otherwise determined by the board and subject to certain other events described below. No payment may be made upon settlement of the Performance Awards on a date following the Expiry Date. At the time of payout, the board will apply a "Payout Multiplier" to the Performance Award grant which may increase or decrease the number of common shares underlying such Performance Award. The Payout Multiplier may range from zero to 2.0 and will be based on Raging River's performance during the Performance Period. As the Payout Multiplier could be zero, the holders of Performance Awards could receive no common shares or cash payment on settlement of such Performance Awards. As a result, the implementation of the Award Plan will enable the board to more closely align the long-term compensation of the executive officers with the long-term performance of the corporation. The following performance criteria will be used for establishing the Payout Multiplier:

<b>Corporate Performance Measures</b>	<b>Weighting</b>
Total shareholder return compared to the S&P TSX Capped Energy Index and the corporation's benchmarking group	33.33%
Proved developing producing finding and development cost recycle ratio compared to the corporation's benchmarking group	33.33%
Development and execution of strategic plan as evaluated by the C&CG Committee and the board	33.33%

The Payout Multiplier for Performance Awards is expected to be calculated as the arithmetic average of the Payout Multiplier for each of the three fiscal years forming part of a "Performance Period" applicable to any Performance Award. The Payout Multiplier will be dependent on our performance relative to the above note pre-defined corporate performance measures for a particular period and can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking and 2x (for first

quartile ranking).

Upon vesting, each Performance Award will be paid out in cash or common shares at the election of the board. If paid out in cash, each Performance Award will have a value equal to the closing price of the common shares on the trading day immediately prior to the payment date multiplied by the number of common shares underlying the Award, as adjusted for the Payout Multiplier and dividends paid on the common shares while such Performance Award was outstanding. If the board elects to pay out the Performance Awards in shares, Raging River will issue the number of fully paid and non-assessable common shares underlying such Performance Awards as adjusted for the Payout Multiplier and dividends paid on the common shares while such Performance Award was outstanding. In addition, the board may elect to settle Performance Awards by purchasing common shares on the TSX and providing such common shares to the holder of such Performance Awards.

Under the Award Plan, in case of a Grantee's death, we will make a cash payment or issue common shares to such employee's legal representatives in respect of any Awards held by the Grantee that have vested or that are scheduled to vest within the twelve month period following the date of death of the Grantee and the Payout Multiplier applicable to any Performance Award held by the Grantee at the time of death shall be determined by the board in its sole discretion. In addition, if a Grantee ceases to be an officer, employee or consultant of Raging River, all Awards granted to such Grantee under the Award Plan which have not otherwise vested will be terminated and all rights to receive payments thereunder will be forfeited by the Grantee as at the date such Grantee ceased to be an officer, employee or consultant (the *Termination Date*). These provisions are subject to any alternative arrangements that may be contained in a separate Award agreement or employment agreement between the corporation and a particular Grantee.

If a Change of Control occurs prior to the date on which the corporation pays cash or issues common shares to the Grantee in respect of an outstanding Award and the Grantee is terminated without cause in connection with such Change of Control or within six (6) months following such Change of Control, the Payment Date for all such Awards held by the Grantee (regardless of whether the vesting date has occurred) shall be the Termination Date and the Payout Multiplier shall be determined by the board acting reasonably. Alternatively, if within six (6) months following a Change of Control, the Grantee voluntarily resigns for an event or events that constitute Good Reason, the Payment Date for all such Awards held by the Grantee (regardless of whether the vesting date has occurred) shall be the Termination Date and the Payout Multiplier shall be determined by the board acting reasonably.

If the corporation completes a transaction or a series of transactions whereby the corporation, substantially all of the common shares or substantially all of the corporation's property or assets become the property or assets of another person (the *Continuing Entity*) the corporation and the Continuing Entity shall take all necessary steps prior to or contemporaneously with the consummation of such transaction(s) to ensure all Awards remain outstanding following the completion of the transactions and the Continuing Entity will assume all covenants and obligations of the corporation under the Award Plan, the outstanding Awards and the Award agreements in a manner that preserves and does not impair the rights of the recipients in any material respect, and the Continuing Entity may exercise every right and power of the corporation under the Award Plan, and Raging River shall be relieved of its obligations thereunder.

Pursuant to the terms of the Award Plan, the board may, at any time, without the approval of the shareholders suspend, discontinue or amend the Award Plan or an Award made thereunder provided that unless a holder of Awards otherwise agrees, the board may not suspend, discontinue or amend the Award Plan or amend any outstanding Award in a manner that would adversely alter or impair any Award previously granted to such holder. Further, the board may not, without the consent of the shareholders amend the Award Plan or Award to: (i) increase the percentage of issued and outstanding common shares that are available to be issued pursuant to granted and outstanding Awards; (ii) increase the common shares that may be issued to Insiders of the corporation under the Award Plan; (iii) permit non-management directors to be eligible recipients under the Award Plan or in any other way permit non-management directors to become eligible to receive Awards under the Award Plan; (iv) extend the Expiry Date of any Award granted under the Award Plan; (v) permit the transfer or assignment of Awards; or (vi)



amend the amendment provisions of the Award Plan.

As at March 29, 2017, the corporation had 281,050 Performance Awards and 255,050 Restricted Awards outstanding under the Award Plan (representing 0.2% of the issued and outstanding common shares).

#### *Employee Share Purchase Plan*

In the fourth quarter of 2014, we commenced an employee share purchase plan (the *ESPP*) which, among other things, authorizes us to make contributions into the ESPP for the purchase of our common shares in the open market for the benefit of our participating full time and part time employees and consultants (in this section, collectively, *Participants*). Pursuant to the ESPP, a Participant may contribute up to 6% of their annual base salary or consulting fee (in increments of 1%). For each \$1.00 contribution to the ESPP by a Participant, we will contribute \$1.50 on behalf of the Participant. Each of the Participant's contribution and our contribution in each calendar month will be used to acquire common shares on the open market.

The purpose of the ESPP is to provide our employees and consultants with the opportunity to acquire an increased proprietary interest in our business through the purchase of our shares. As substantially all of the employees and officers participate in the ESPP, our management and board believe the ESPP has served as an effective tool to increase the proprietary interest of our personnel in the corporation and to align the interests of such personnel with the interests of our shareholders.

Our board may amend the ESPP, in whole or in part, at any time, provided the amendment or termination does not deprive a participant of any benefits accrued under the ESPP on or prior to the date of amendment or termination.

#### **2017 Compensation Decisions**

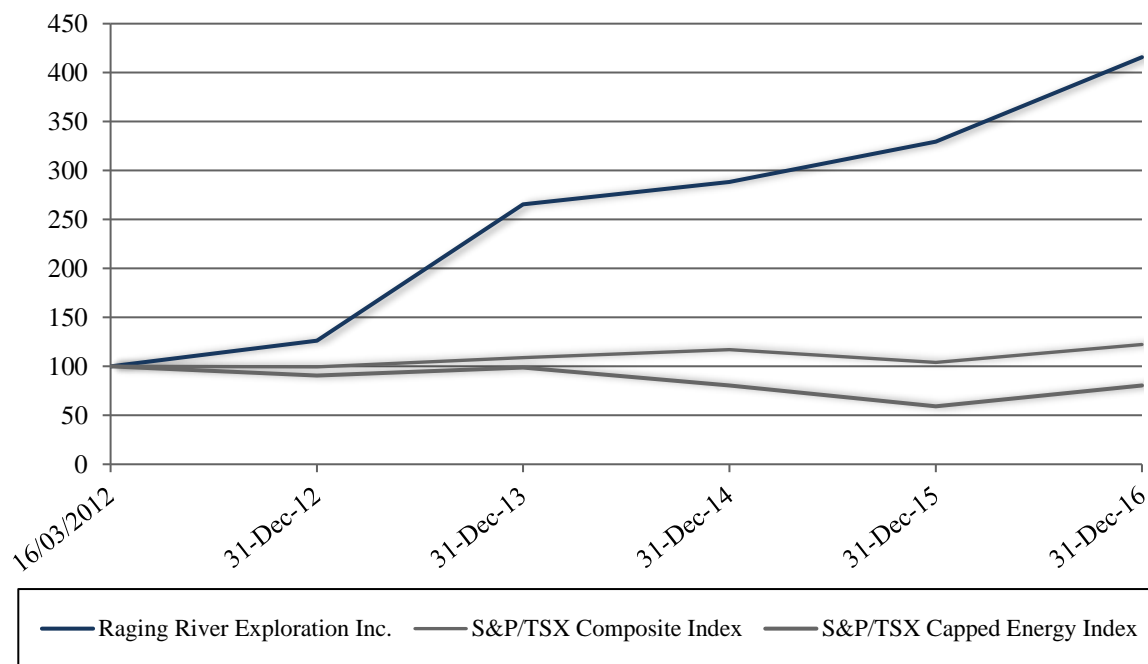
In 2017, our board on the recommendation of the C&CG Committee and the CEO determined that bonuses in respect of 2017 performance would be based on the following factors:

- Proved developing producing recycle ratio (recycle ratio is calculated by dividing the operating netback per boe by the FD&A costs for that period based on proved developing producing reserves);
- Proved plus probable reserves growth per debt adjusted fully diluted common share;
- Production growth per debt adjusted fully diluted common share;
- Return on capital employed; and
- Other factors based on technology advancement, including waterfloods, increase in depth of drilling inventory, enhance oil recovery improvements and land and prospect capture.

However, the board determined it was not in the corporation's best interest to set hard targets with respect to such measures and that such measures would be evaluated relative to the corporation's benchmarking group to determine bonuses for 2017. In addition, the award of bonuses in 2017, including the amounts of such bonuses, will ultimately be at the discretion of the board.

#### **Performance Graph**

The following graph illustrates our cumulative shareholder return, as measured by the closing price of the common shares from March 16, 2012 and at the end of each of the subsequent financial years, assuming an initial investment of \$100 on March 16, 2012 compared to the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index.



	2012/03/16	2012/12/31	2013/12/31	2014/12/31	2015/12/31	2016/12/31
Raging River Exploration Inc.	100	126.38	265.35	288.18	329.53	415.75
S&P/TSX Composite Index	100	99.50	109.00	117.08	104.1	122.33
S&P/TSX Capped Energy Index	100	90.49	98.83	80.50	58.94	80.44

The modest increase in compensation since the corporation's inception was based on various factors, including but not limited to the increase in the common share price and certain other factors discussed under "Compensation Discussion and Analysis" above. The cumulative shareholder return of our common shares since inception has well exceeded the increases in compensation received by our Named Executive Officers over the same time period.

The total compensation for the executive officers is affected by increases and decreases in the price of common shares as the value of option-based and share-based awards increase or decrease as common share prices increase or decrease. Option-based and share-based awards, and bonuses (to the extent that such payments are based on meeting corporate performance expectations) represent "at risk" compensation which help align the total return on the common shares and the compensation received by our executive officers. Total executive compensation does not always directly correlate with increases and decreases in the total return on the common shares due to the need of the corporation to continue to provide competitive salaries and increases in salary levels in the market.

### Summary Compensation Table

The following table sets forth information concerning the compensation paid to our Named Executive Officers for the years ended December 31, 2014, December 31, 2015 and December 31, 2016.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(4)</sup>	Option-based awards (\$) <sup>(5)</sup>	Non-equity incentive plan compensation (\$)			All other compensation <sup>(7)</sup>	Total compensation (\$)
					Annual incentive plans <sup>(6)</sup>	Long-term incentive plans	Pension value (\$)		

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(4)</sup>	Option-based awards (\$) <sup>(5)</sup>	Non-equity incentive plan compensation (\$)			All other compensation <sup>(7)</sup>	Total compensation (\$)
					Annual incentive plans <sup>(6)</sup>	Long-term incentive plans	Pension value (\$)		
Neil Roszell	2016	390,000	692,900	345,400	300,000	N/A	N/A	33,150	1,761,450
President and Chief Executive Officer	2015	260,000	N/A	575,050	375,000	N/A	N/A	23,400	1,233,450
	2014	260,000	N/A	533,820	230,000	N/A	N/A	5,850	1,029,670
Jerry Sapieha	2016	280,000	479,700	241,780	200,000	N/A	N/A	24,150	1,225,630
Vice President, Finance and Chief Financial Officer	2015	210,000	N/A	442,550	240,000	N/A	N/A	18,900	911,450
	2014	210,000	N/A	410,820	170,000	N/A	N/A	4,725	795,545
Jason Jaskela <sup>(1)</sup>	2016	280,000	479,700	241,780	200,000	N/A	N/A	24,150	1,225,630
Vice President, Production and Chief Operating Officer	2015	210,000	N/A	442,550	240,000	N/A	N/A	18,900	911,450
	2014	210,000	N/A	410,820	170,000	N/A	N/A	4,725	795,545
Bruce Beynon <sup>(2)</sup>	2016	280,000	479,700	241,780	200,000	N/A	N/A	24,150	1,225,630
Executive Vice President	2015	210,000	N/A	442,550	240,000	N/A	N/A	18,900	911,450
	2014	210,000	N/A	410,820	170,000	N/A	N/A	4,725	795,545
Jesse Barlow <sup>(3)</sup>	2016	230,000	373,100	189,970	161,000	N/A	N/A	20,250	974,320
Vice President, Engineering	2015	178,125	N/A	1,220,170	460,400	N/A	N/A	16,031	1,874,726
	2014	175,000	N/A	587,200	100,000	N/A	N/A	3,938	866,138

Notes:

- (1) Mr. Jaskela was promoted to Chief Operating Officer effective March 17, 2014; prior thereto he held the position of Vice-President, Production.
- (2) Mr. Beynon was promoted to Executive Vice-President on December 31, 2015; prior thereto he held the position of Vice-President, Exploration.
- (3) Mr. Barlow was promoted to Vice-President, Engineering on November 5, 2015; prior thereto he held the position of Chief Engineer. Mr. Barlow began employment with the corporation on December 1, 2013.
- (4) The compensation reported under share-based awards is the value of Performance Awards and Restricted Awards. The value of Restricted Awards and Performance Awards is based on the number of Restricted Awards and Performance Awards granted multiplied by the closing price per common share on the TSX on the trading day of the grant. This methodology for calculating the fair value of the Restricted Awards and Performance Awards on the grant date is consistent with the initial fair value determined in accordance with IFRS 2.
- (5) The Corporation has calculated the grant date fair value of the Options granted to Named Executive Officers using the Black-Scholes option pricing model and does not reflect what was actually paid to the NEO in the calendar year. The Corporation chose this methodology because it is recognized as the most common methodology used for valuing options and value comparisons. The Black-Scholes option pricing model assumptions used by the Corporation were:

	2016	2015	2014
Risk free interest rate (%)	0.46 - 0.81	0.46 - 1.08	1.18 - 1.58
Expected life (years)	3.5	3.5	3.5
Expected volatility (%)	38 - 40	39 - 40	30 - 42
Expected dividend rate (%)	nil	nil	nil
Expected forfeiture rate (%)	4	3	2
Fair value of Options granted during the year (\$/option)	2.90	2.55	2.37

- (6) In 2016 and 2014 the board determined bonus amounts in each year with half the amount paid immediately and the other half only paid in the following year if the conditions associated with such bonus payment were satisfied. In 2015, the board determined that the whole bonus amount awarded would be paid in the year. The amounts reported under "Annual incentive plans" for 2016 and 2014 reflect the bonus amount awarded in respect of such year including the portion of such amount paid in the following year.
- (7) Amounts under "All other compensation" include contributions by the corporation to the ESPP on behalf of the Named Executive Officers. Certain perquisites have not been included in the above table as the aggregate value of such perquisites per Named Executive Officer are not worth more than \$50,000 or 10% of such Named Executive Officer's salary.

## Outstanding Option-Based Awards and Share-based Awards

The following table sets forth for each of the Named Executive Officers all option-based and share-based awards outstanding at the end of the year ended December 31, 2016.

Name	Option-based awards				Share-based awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of share-based awards that have not vested (#)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Neil Roszell	217,000	10.24	November 9, 2017	69,440	48,750 Performance Awards	514,800	nil
	110,000	10.71	December 12, 2019	nil	16,250 Restricted Awards	171,600	
Jerry Sapieha	167,000	10.24	November 9, 2017	53,440	33,750 Performance Awards	356,400	nil
	167,000	8.90	December 1, 2018	227,220		118,800	
	77,000	10.71	December 12, 2019	nil	11,250 Restricted Awards		
Jason Jaskela	167,000	10.24	November 9, 2017	53,440	33,750 Performance Awards	356,400	nil
	167,000	8.90	December 1, 2018	227,220		118,800	
	77,000	10.71	December 12, 2019	nil	11,250 Restricted Awards		
Bruce Beynon	167,000	10.24	November 9, 2017	53,440	33,750 Performance Awards	356,400	nil
	167,000	8.90	December 1, 2018	227,220		118,800	
	77,000	10.71	December 12, 2019	nil	11,250 Restricted Awards		
Jesse Barlow	150,000	8.47	September 16, 2017	313,500	26,250 Performance Awards	277,200	nil
	17,000	10.24	November 9, 2017	5,440		92,400	
	67,000	7.26	June 22, 2018	221,100	8,750 Restricted Awards		
	300,000	8.87	May 9, 2019	507,000			
	167,000	8.45	June 24, 2019	352,370			
	60,500	10.71	December 12, 2019	nil			

Notes:

- (1) Calculated based on the difference between the closing price of our common shares on the TSX on December 30, 2016 and the exercise price of the Options.
- (2) For Restricted Awards, calculated based on the number of notional common shares underlying such Restricted Awards held at December 31, 2016 multiplied by the closing price per common share on the TSX on December 30, 2016. For Performance Awards, calculated based on the closing price per common share on the TSX on December 30, 2016 multiplied by the number of notional common shares underlying such Performance Awards assuming a Payout Multiplier of 1.0.

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

The following table sets forth for each of our Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended December 31, 2016 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2016.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Neil Roszell	807,695	nil	300,000
Jerry Sapieha	621,361	nil	200,000
Jason Jaskela	621,361	nil	200,000

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup></b> <b>(\$)</b>	<b>Share-based awards – Value vested during the year</b> <b>(\$)</b>	<b>Non-equity incentive plan compensation – Value earned during the year</b> <b>(\$)</b>
Bruce Beynon	621,361	nil	200,000
Jesse Barlow	441,154	nil	161,000

Note:

- (1) Calculated based on the difference between the closing price of our common shares on each vesting date and the exercise price of the Options.

### **Employment Contracts, Termination and Change of Control Benefits**

There are no agreements between us and our Named Executive Officers that provide for payments to the Named Executive Officers upon termination, retirement or change of control.

#### *Old Option Plan*

All of the Named Executive Officers' Options issued under the Old Option Plan would become fully vested upon a Change of Control (as defined below). Under the terms of the Old Option Plan, the vesting of all unvested Options will be accelerated upon the liquidation or dissolution of the corporation or upon a re-organization, merger or consolidation of the corporation with one or more companies as a result of which the corporation is not the surviving corporation, or upon the sale of substantially all of the property or more than eighty (80%) percent of the then outstanding common shares to another corporation, where the Options are not assumed by the successor entity (each, a Change of Control).

#### *New Option Plan and Award Plan*

Under the terms of the New Option Plan, if a Change of Control (as defined below) occurs and if the Grantee is terminated without cause in connection with such Change of Control or within six (6) months following the Change of Control, the Grantee will be entitled to exercise all Options held by the Grantee until immediately prior to the effective time of such Change of Control (or such other time as may be designated by the board) and, if such termination period occurs following such Change of Control, the Grantee shall be entitled to exercise all Options held by such Grantee until the date that is 90 days after the Termination Date. If within six (6) months following a Change of Control the Grantee voluntarily resigns for an event or events which constitute Good Reason (as defined in the New Option Plan), all Options held by the Grantee shall Vest and the Grantee shall be entitled to exercise all Options held by such Grantee until the date that is 90 days after the Termination Date.

Under the terms of the Award Plan, if a Change of Control (as defined below) occurs and: (i) if the Grantee is terminated without cause in connection with such Change of Control or within six (6) months following the Change of Control; or (ii) if within six (6) the Grantee voluntarily resigns for an event or events which constitute Good Reason (as defined in the Award Plan), the outstanding Restricted Awards or Performance Awards held by the Grantee shall vest on the Termination Date and the Payout Multiplier with respect to Performance Awards shall be determined by the board, acting reasonably.

A "Change of Control" under the New Option Plan and the Award Plan includes: (i) a successful "take-over bid" as defined in National Instrument 62-104 or any replacement or successor provisions (NI 62-104), which is not exempt from the take-over bid requirements of NI 62-104, pursuant to which the "offeror" as a result of such take-over bid, beneficially owns, directly or indirectly, in excess of 50% of the issued and outstanding Common Shares; (ii) the issuance to or acquisition by any person, or group of persons acting in concert, directly or indirectly, including through an arrangement, merger or other form of reorganization of Raging River, of Common Shares which in the aggregate total 50% or more of the then issued and outstanding Common Shares; (iii) the winding up or termination of Raging River or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of Raging River to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of Raging River is continued), provided that notwithstanding the application of any of the

foregoing, a "Change of Control" shall be deemed to not have occurred if a majority of the board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the applicable plan.

The following table shows (i) the number of unvested in-the-money Options (including Options under the Old Option Plan and the New Option Plan) held by our Named Executive Officers and the value of such Options as at December 31, 2016, and (ii) the number of Performance Awards and Restricted Awards held by our Named Executive Officers and the value of such Performance Awards and Restricted Awards as at December 31, 2016, demonstrating the value of the accelerated unvested Options, Performance Awards and Restricted Awards held by the Named Executive Officers if a Change of Control had occurred on December 31, 2016 and, in the case of the New Option Plan and the Award Plan, if each Named Executive Officer was terminated on such date in connection with such Change of Control.

Name	Option-based awards		Share-based awards	
	Number of unvested in-the-money Options held on December 31, 2016 (#)	Value of unvested in-the-money options <sup>(1)</sup> (\$)	Number of Performance Awards and Restricted Awards held on December 31, 2016 (#)	Market or payout value of Performance Awards and Restricted Awards that have not vested <sup>(2)</sup> (\$)
Neil Roszell	217,000	263,293	48,750 Performance Awards 16,250 Restricted Awards	686,400
Jerry Sapieha	167,000	202,627	33,750 Performance Awards 11,250 Restricted Awards	475,200
Jason Jaskela	167,000	202,627	33,750 Performance Awards 11,250 Restricted Awards	475,200
Bruce Beynon	167,000	202,627	33,750 Performance Awards 11,250 Restricted Awards	475,200
Jesse Barlow	393,333	648,426	26,250 Performance Awards 8,750 Restricted Awards	369,600

Notes:

- (1) Calculated based on the difference between the closing price of our common shares on the TSX on December 30, 2016 and the exercise price of the Options.
- (2) For Restricted Awards, calculated based on the number of notional common shares underlying such Restricted Awards held at December 31, 2016 multiplied by the closing price per common share on the TSX on December 30, 2016. For Performance Awards, calculated based on the closing price per common share on the TSX on December 30, 2016 multiplied by the number of notional common shares underlying such Performance Awards assuming a Payout Multiplier of 1.0.

## Pension Plans and Retiring Allowances

We do not currently provide our Named Executive Officers, with pension plan benefits or retiring allowances.

## Director Compensation

During the fiscal year ended December 31, 2016, we paid annual cash retainers to our non-executive directors, reimbursed our non-management directors for all reasonable expenses incurred in carrying out their duties as directors and issued DSUs under the DSU Plan.

In March 2016, in conjunction with reviewing the compensation programs of the executive officers, the C&CG Committee and the board reviewed the elements of compensation awarded to the non-executive directors. Historically, the only compensation received by our non-executive directors was the grant of

Options; however, given the stage of the corporation's development and concerns of certain proxy advisory firms about the granting of Options to non-executive directors, the C&CG Committee determined that it was advisable to eliminate the use of Options as a means of compensating non-executive directors and to implement new compensation programs for non-executive directors. As part of its review of non-executive director compensation, the C&CG Committee and the board met with and received the recommendations of Lane Caputo as to the types of compensation programs to implement and the levels of compensation to provide to the non-executive directors.

As a result of the recommendations of Lane Caputo and the C&CG Committee, the board approved the following annual cash retainers to be paid to the non-executive directors commencing effective as of January 1, 2016:

<b>Type of Retainer</b>	<b>Amount (\$)</b>
Annual cash retainer for board members	65,000
Additional retainer for Lead Director	25,000
Additional retainer for Audit Committee chair	15,000
Additional retainer for C&CG Committee chair	10,000
Additional retainer for Reserves Committee chair	7,500

In addition, upon the recommendation of the C&CG Committee, on April 4, 2016 the board implemented the DSU Plan, which provides for the grant of DSUs to non-executive directors. As further described below, the DSU Plan provides for a cash payment equal to the closing price of the common shares on the trading day prior to payment multiplied by the number of notional common shares underlying the DSUs held by a director after such director ceases to be a director of the corporation. In addition to providing for the grant of DSUs to non-executive directors, non-executive directors also have the option to elect to receive DSUs in lieu of receiving their annual cash retainers.

On approval of the DSU Plan on April 4, 2016, the board also approved the grant of 7,000 DSUs to each of the non-executive directors. The board also determined that in future years each non-executive director would receive a grant of DSUs approximately equal in value to the base annual cash retainer to be received by each board member (excluding any additional retainer received for serving as Lead Director or a chair of any committee of the board).

Neither the New Option Plan nor the Award Plan allows for the grant of Options or Awards to non-executive directors, and therefore no equity based compensation may be granted to the non-executive directors.

### ***Deferred Share Unit Plan***

On April 4, 2016, the board approved the adoption of the DSU Plan for non-employee directors. The DSU Plan is not a security based compensation plan and unless otherwise approved by the TSX and the shareholders, all DSUs will be settled in cash or by payment in common shares acquired from the TSX.

The purpose of the DSU Plan is to (i) promote a proprietary interest in the corporation and a greater alignment between directors of the corporation and shareholders, (ii) provide a compensation system for directors that is reflective of the responsibilities, commitments and risks accompanying the role of a director, and (iii) to assist the corporation in attracting experienced individuals to serve as directors. The board has the authority to amend or terminate the DSU Plan at any time, in whole or in part, subject to certain exceptions. The DSUs granted thereunder are not transferable or assignable.

Upon the board granting DSUs, the DSUs will be fully vested but a director will not be entitled to payment for the DSUs until the director ceases to be a director of Raging River. The directors may also elect to receive all of their annual cash compensation in the form of DSUs provided that such election must be made on December 1st of the preceding calendar year (or within certain prescribed time frame if an individual becomes a director after the commencement of a calendar year) and after such date the election will be irrevocable for such year. When and if dividends are paid on the common shares, the

number of common shares notionally represented by the DSU shall be adjusted based on a formula set out in the DSU Plan.

Pursuant to the terms of the DSU Plan, a director will have the right to receive a cash payment or, at the election of the board and provided all necessary approvals have been obtained (including TSX and shareholder approvals), common shares, in respect of the DSUs held at the date the director ceases to be a director (after adjustment for dividends paid while such DSUs were outstanding). The director will receive the payment in respect of his or her DSUs no later than December 1 of the calendar year following the calendar year in which he or she ceases to be a director, unless the director elects to receive such payment prior to such date (provided that the director may not elect to receive payment prior to the date the director ceased to be a director).

The cash payment to be received will be equal to the number of DSUs held by the director on the date the director ceased to be a director after giving effect to adjustments for dividends, multiplied by the closing price of the common shares on the TSX on the trading day immediately prior to the date the payment is to be made, less all applicable withholding taxes. Where the corporation elects to make a payment in shares, the corporation shall either: (i) issue to the director the number of common shares from treasury equal to the number of DSUs held by the director on the date the director ceased to be a director after giving effect to adjustments for dividends, provided the corporation has received TSX and shareholder approval for such issuance; or (ii) purchase such number of common shares on the TSX equal to the number of DSUs held by the director on the date the director ceased to be a director after giving effect to adjustments for dividends and deliver such common shares to the director.

In the event of death a non-employee director or in the event of death after the director has ceased to be a member of the board but before the DSUs are redeemed, the corporation shall within 90 days from the date of the director's death, redeem all DSUs held by the director after giving effect to adjustments for dividends.

If the corporation completes a transaction or a series of transactions whereby the corporation, substantially all of the common shares or substantially all of the corporation's property or assets become the property or assets of another person (the Continuing Entity) the corporation and the Continuing Entity shall take all necessary steps prior to or contemporaneously with the consummation of such transactions to ensure all DSUs remain outstanding following the completion of the transactions and the Continuing Entity will assume all covenants and obligations of the corporation under the DSU Plan, the outstanding DSUs and the DSU Awards previously granted in a manner that preserves and does not impair the rights of the recipients in any material respect, and the Continuing Entity may exercise every right and power of the corporation under the DSU Plan, and Raging River shall be relieved of its obligations thereunder.

Pursuant to the terms of the DSU Plan, the board may, at any time, without the approval of the shareholders suspend, discontinue or amend the DSU Plan or DSUs granted thereunder provided that unless a holder of DSUs otherwise agrees, the board may not suspend, discontinue or amend the DSU Plan or amend any outstanding DSUs in a manner that would adversely alter or impair any DSUs previously granted to such holder. The board may not suspend, discontinue or amend the DSU Plan or amend any DSU in a manner that would adversely alter or impair any DSU Award previously granted to such holder.

### **Directors' Summary Compensation Table**

The following table sets forth for each individual who served as a non-executive director during the year ended December 31, 2016 all amounts of compensation provided to the same during such year:

Name	Fees Earned <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Option-based awards <sup>(3)</sup> (\$)	Non-equity incentive plan compensation <sup>(3)</sup> (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Gary Bugeaud	75,000	61,880	N/A	N/A	N/A	N/A	136,880
Kevin Olson	90,000	61,880	N/A	N/A	N/A	N/A	151,880



Raymond Mack	80,000	61,880	N/A	N/A	N/A	N/A	141,880
George Fink	65,000	61,880	N/A	N/A	N/A	N/A	126,880
David Pearce	72,500	61,880	N/A	N/A	N/A	N/A	134,380

Notes:

- (1) Certain directors elect to take all of their cash fees earned in the form of DSUs. As a result, the DSUs received by such directors in lieu of the cash fees are reflected under "Fees earned", but not under "Share-based awards".
- (2) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2016. The value of DSUs is based on the number of DSUs granted multiplied by the closing price per common share on the TSX for the trading day on the date of the grant. This methodology for calculating the fair value of the DSU awards on the grant date is consistent with the initial fair value determined in accordance with IFRS 2. As a result, the total compensation expense for these DSU grants under IFRS for the year ended December 31, 2016 would be approximately \$309,400 in aggregate for all directors.
- (3) Our directors were not awarded any option-based awards or non-equity incentive plan compensation in 2016.
- (4) All compensation received by Mr. Roszell was in respect of his position as CEO and not as one of our directors.

**Directors' Outstanding Option-Based Awards and Share-Based Awards**

The following table sets forth for each individual who served as a non-executive director during the year ended December 31, 2016, all option-based awards outstanding at the end of such year.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options <sup>(1)</sup> (\$)	Number of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of share-based awards that have not vested <sup>(2)</sup> (\$)	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)(3)(4)</sup> (\$)
Gary Bugeaud	58,000 58,000	10.24 8.90	November 9, 2017 December 1, 2018	18,560 96,280	nil	nil	148,938
Kevin Olson	58,000 58,000	10.24 8.90	November 9, 2017 December 1, 2018	18,560 96,280	nil	nil	163,933
Raymond Mack	58,000 58,000	10.24 8.90	November 9, 2017 December 1, 2018	18,560 96,280	nil	nil	73,920
George Fink	58,000 58,000	10.24 8.90	November 9, 2017 December 1, 2018	18,560 96,280	nil	nil	138,927

	Option-based Awards				Share-based Awards		
David	58,000	10.24	November	18,560	nil	nil	146,435
Pearce	58,000	8.90	9, 2017 December 1, 2018	96,280			

Notes:

- (1) Calculated based on the difference between the closing price of our common shares on the TSX on December 30, 2016 and the exercise price of the Options.
- (2) All DSUs vest immediately upon the grant of such DSUs but cannot be redeemed until the director holding such DSUs ceases to be a director of the corporation.
- (3) Calculated based on the number of DSUs held at December 31, 2016 multiplied by the closing price per common share on the TSX on December 30, 2016.
- (4) Includes the value of DSUs received by directors in lieu of cash fees.

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

The following table sets forth for each individual who served as a non-executive director during the year ended December 31, 2016, the value of option-based awards and share-based awards which vested during such year. The non-executive directors were not awarded any non-equity incentive plan compensation during the year ended December 31, 2016 or in any prior year.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)(3)(4)</sup> (\$)
Gary Bugeaud	217,147	124,679
Kevin Olson	217,147	137,232
Raymond Mack	217,147	61,880
George Fink	217,147	116,299
David Pearce	217,147	122,584

Notes:

- (1) Calculated based on the difference between the market price of our common shares on the TSX on each vesting date and the exercise price of the Options.
- (2) All DSUs vest immediately upon the grant of such DSUs but cannot be redeemed until the director holding such DSUs ceases to be a director of the corporation.
- (3) Calculated based on the number of DSUs granted multiplied by the closing price per common share on the TSX on the trading date on the grant date.
- (4) Includes the value of DSUs received by directors in lieu of cash fees.

## **OTHER INFORMATION**

### **Securities Authorized for Issuance under Equity Compensation Plans**

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans, as at December 31, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted average exercise price of outstanding options 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 securityholders			
Old Option Plan <sup>(1)</sup>	7,586,296	9.01	0

New Option Plan <sup>(2)(3)(4)</sup>	1,784,500	10.32	5,154,831
Award Plan Plan <sup>(2)(3)(4)</sup>	498,600	10.62	5,154,831
<b>Total</b>	<b>9,869,396</b>		<b>5,154,831</b>

Notes:

- (1) As the corporation did not have unallocated options approved by our shareholders under the Old Option Plan prior to May 3, 2016, no more options can be granted under the Old Option Plan.
- (2) The New Option Plan and the Award Plan were approved by shareholders at the annual and special meeting held on May 10, 2016.
- (3) Awards and Options may be granted under such plans in respect of common shares provided that the aggregate number of common shares reserved for issuance under the Award Plan and New Option Plan does not exceed the lesser of: (i) 5.0% of the aggregate number of issued and outstanding common shares in aggregate under both the Award Plan and New Option Plan; and (ii) 6.5% of the aggregate number of common shares issued and outstanding under both the Award Plan and New Option Plan less the aggregate number of common shares reserved for issuance under outstanding Options issued pursuant to the Old Option Plan.
- (4) The number of common shares issued from treasury pursuant to the exercise of Options (including cashless exercise) under the Old Option Plan and New Option Plan during the year ended December 31, 2016 was 1,324,472. As no Performance Awards or Restricted Awards vested in 2016 no common shares were issued pursuant to the Award Plan in 2016.

### Interest in the business of the meeting

To the best of our knowledge, none of the following people has a material interest, direct or indirect, in any matter to be acted on at the meeting (other than the election of directors, the approval of the Award Plan and the approval of the New Option Plan):

- anyone who has been a director or executive officer of Raging River at any time since the beginning of January 1, 2016;
- any of the nominees for director; or
- any of their associates or affiliates.

### Interest in material transactions

To the best of our knowledge, none of the following people has a material interest, direct or indirect, in any transaction since January 1, 2016, or in any proposed transaction, that has materially affected or will materially affect the corporation or any of our subsidiaries:

- anyone who beneficially owns or exercises control or direction over 10% or more of our common shares;
- any of the nominees for director; or
- any of their associates or affiliates.

### Indebtedness to the corporation

None of the following people is currently indebted to the corporation or has been at any time since January 1, 2016:

- anyone who has been a director or executive officer of Raging River at any time since the beginning of January 1, 2016;
- any of the nominees for director; or

- any of their associates or affiliates.

**APPENDIX A**  
**RAGING RIVER EXPLORATION INC. (the "Corporation" or "Raging River")**  
**MANDATE OF THE BOARD OF DIRECTORS**

The Board of Directors (the "**Board**") of the Corporation is responsible for the stewardship of the Corporation. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Raging River. In general terms, the Board will endeavor to:

- (a) define the principal objective(s) of the Corporation based upon the recommendations of the Chief Executive Officer of the Corporation (the "CEO"), the members of the Board and others deemed appropriate for such purpose;
- (b) monitor the management of the business and affairs of Raging River with the goal of achieving Raging River's principal objective(s) as defined by the Board;
- (c) discharge the duties imposed on the Board by applicable laws; and
- (d) for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board, as determined appropriate, will endeavor to perform the following duties:

**Strategic Operating, Capital Plans and Financing Plans**

- require the CEO to present annually to the Board a longer range strategic plan and a shorter range business plan for Raging River's business, which plans must:
  - be designed to achieve Raging River's principal objectives;
  - identify the principal strategic and operational opportunities and risk of Raging River's business; and
  - be approved by the Board as a pre-condition to the implementation of such plans.
- review progress towards the achievement of the goals established in the strategic, operating and capital plans;
- review the principal risks of the Corporation's business identified by the CEO and review management's implementation of the appropriate systems to manage these risks;
- approve the annual operating and capital budgets and plans and subsequent revisions thereof;
- consider and if determined appropriate approve an authority framework providing the management of the Corporation with certain parameters for expenditures and dispositions, including for property acquisitions and dispositions, that can be carried out without Board approval;
- approve the establishment of credit facilities and borrowings; and
- approve issuances of additional shares or other securities to the public.

## Monitoring and Acting

- monitor Raging River's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances;
- monitor overall human resource policies and procedures, including compensation and succession planning;
- appoint the CEO and, as required, determine the terms of the CEO's employment with Raging River;
- approve the dividend policy of Raging River;
- monitor the "good corporate citizenship" of Raging River, including compliance by Raging River with all applicable environmental laws;
- in consultation with the CEO, establish the ethical standards to be observed by all officers, employees and consultants of Raging River and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards; and
- require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by Raging River and its officers and employees.

## Compliance Reporting and Corporate Communications

- review the procedures implemented by Management and the Board which are designed to ensure that the operational and financial performance of Raging River is properly reported to shareholders, other security holders and regulators on a timely and regular basis;
- recommend to shareholders of Raging River a firm of chartered accountants to be appointed as Raging River's auditors;
- review the procedures designed and implemented by management and the independent auditors to ensure that the financial results are reported fairly and in accordance with generally accepted accounting principles;
- review the procedures implemented by Management and the Board which are designed to ensure the timely reporting of any other developments that have a significant and material impact on the value of Raging River;
- review, consider and where required, approve the appointment of one or more "qualified reserves evaluators or auditors" as defined in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**");
- review, consider and where required, approve, the reports required under NI 51-101; and
- where required, approve any policy designed to enable Raging River to communicate effectively with its shareholders and the public generally.

## Integrity/Corporate Conduct

- approve a code of business conduct and ethics for directors, officers and employees; approve any waivers of it for officers and directors; and, in cooperation with management, monitor compliance with it; and

- to the extent feasible, satisfy itself as to the integrity of the CEO and other officers of Raging River that the CEO and other officers create a culture of integrity throughout Raging River.

## Governance

- in consultation with the Chair of the Board and the Lead Independent Director (as defined below), as applicable, develop a position description for the Chair of the Board and the Lead Independent Director, as applicable;
- facilitate the continuity, effectiveness and independence of the Board by, amongst other things:
  - selecting nominees for election to the Board;
  - appointing a Chair of the Board who is not a member of management or, failing that, ensuring that an independent "lead director" (the "**Lead Independent Director**") is appointed;
  - appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;
  - defining the mandate or terms of reference of each committee of the Board;
  - ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each committee of the Board and each director;
  - establishing a system to enable any director to engage an outside adviser at the expense of Raging River; and
  - review annually the adequacy and form of the compensation of directors.

## Delegation

- the Board may delegate its duties to and receive reports and recommendations from any committee of the Board; and
- subject to terms of any corporate disclosure policy and other policies and procedures of Raging River, the Chairman of the Board (if any and independent) or the Lead Independent Director (if any), when appropriate, will act as a liaison between stakeholders of Raging River and the Board (including independent members of the Board).

## Composition

- a majority of Board members should be "independent" Directors as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices*;
- on at least an annual basis, the Board shall conduct an analysis and make a positive affirmation as to the "independence" of a majority of its Board members; and
- members should have or obtain sufficient knowledge of Raging River and the oil and gas business to assist in providing advice and counsel on relevant issues.

## Meetings

- the Board shall meet at least four times per year and/or as deemed appropriate by the Board Chair;

- minutes of each meeting shall be prepared by the Corporate Secretary to the Board;
- members should review materials prior to meetings to ensure that they have sufficient knowledge in providing advice and counsel on relevant issues;
- the CEO or his designate(s) may be present at all meetings of the Board; and
- Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board.

### **Reporting / Authority**

- following each meeting, the Corporate Secretary will in a timely fashion report to the Board by way of providing draft copies of the minutes of the meetings;
- supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO;
- the Board shall have the authority to review any corporate report or material and to investigate activity of the Corporation and to request any employees to cooperate as requested by the Board; and
- the Board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of Raging River.



**APPENDIX B**  
**SUMMARY OF TERMS OF THE OLD OPTION PLAN OF**  
**RAGING RIVER EXPLORATION INC.**  
**(*Raging River* or the *corporation*)**

This Appendix provides a summary of the terms of the share option plan of the corporation as adopted in March 2012 (the *Old Option Plan*). Terms used herein but not otherwise defined shall have the meaning ascribed to such terms in the circular to which this Appendix is attached.

The Old Option Plan is a "rolling" option plan reserving a maximum of 10% of the issued and outstanding common shares for issuance pursuant to Options and other security based compensation arrangements. In accordance with the policies of the TSX, unallocated Options under rolling option plans must receive shareholders approval three years from the date of listing on the TSX and subsequently every three years after that. The Old Option Plan was originally approved by the shareholders of Wild Stream at a special meeting held on March 14, 2012 to approve the Arrangement. On May 3, 2013, our common shares were listed on the TSX (prior thereto our common shares were listed on the TSX Venture Exchange) and as such, we are not able to grant Options after May 3, 2016 as we have not sought approval for the issuance of unallocated Options from our shareholders under the Old Option Plan since such date.

As of March 29, 2017, we had outstanding Options to purchase 7,561,961 common shares under the Old Option Plan representing approximately 3.3% of our issued and outstanding common shares. Our directors, officers, employees or consultants (each, a *Raging River Service Provider*) were eligible to participate in the Old Option Plan. Options are not transferable or assignable except in accordance with the Old Option Plan. The exercise price of Options under the Old Option Plan is not less than the closing price of our common shares on the TSX on the trading day immediately preceding the date of grant of Options.

The Old Option Plan, if approved by the board, also allows Options to be exchanged for the issuance of common shares equal to the number determined by dividing the closing price of the common shares on the TSX on the trading day immediately preceding the date of exercise (the *Market Price*) into the difference between the Market Price and the exercise price of such Options. Additionally, holders of Options under the Old Option Plan may offer to surrender any of such Options for an amount (not to exceed fair market value, which shall be calculated as the amount equal to the Market Price (calculated as at the date of exercise) less the exercise price of such Options.

The Old Option Plan limits insider participation such that in aggregate, no more than 10% of the issued and outstanding common shares (on a non-diluted basis) may be reserved at any time for insiders as defined in subsection 1(i) of the *Securities Act* (Alberta) and includes an associate, as defined in subsection 1(a.1) of the *Securities Act* (Alberta) (*Insiders*) under the Old Option Plan, together with all of our other security based compensation. Further, the number of securities we issue to Insiders within any twelve month period under all of our security based compensation arrangements cannot exceed 10% of the issued and outstanding common shares. The Old Option Plan also provides that no single Grantee may be granted Options to purchase a number of common shares equalling more than 5% of our issued common shares in any one in any twelve month period unless we have obtained disinterested shareholder approval in respect of such grant.

Our board has discretion to make amendments to the Old Option Plan which it may deem necessary, without having to obtain shareholder approval provided that no such amendment may, without the consent of an optionee, alter or impair any Option previously granted to an optionee under the Old Option Plan and provided further that any amendment to the Option Plan is subject to prior approval of the TSX. The board may by resolution amend the Old Option Plan and any Options granted under it without shareholder approval, however, the board will not be entitled, in the absence of shareholder and TSX approval, to: (a) reduce the exercise price of an Option held by one of our Insiders; (b) extend the expiry date of Options held by any of our Insiders (subject to such date being extended by virtue of Black Out Period (as defined within the Old Option Plan)); (c) amend the limitations on the maximum number of common shares reserved or issued to Insiders under the Old Option Plan; (d) increase the maximum

number of common shares issuable pursuant to the Option Plan; and (e) amend the amendment provisions of the Option Plan.

Upon termination of Raging River Service Provider for any other reason, other than death, the Raging River Service Provider may exercise the Options to the extent to which the Raging River Service Provider was entitled to exercise them at the date of termination, provided that the exercise occurs within 90 days following the termination of the Raging River Service Provider, unless such Raging River Service Provider was engaged in investor relations in which case such exercise must occur within 30 days following the cessation of their services to the corporation. In the case of death, the Raging River Service Provider is entitled to exercise those Options which such person was entitled to exercise on the date of the death within the earlier of one year from the date of death and the end of the exercise period.