

## **MANDATE AND TERMS OF REFERENCE OF THE GOVERNANCE AND ESG COMMITTEE**

### **Role and Objective**

The board of directors (the "**Board**") of Hammerhead Energy Inc. (the "**Corporation**") hereby establishes a committee of the Board to be called the Governance and ESG Committee (the "**Committee**"), to which the Board has delegated certain of its responsibilities, including reviewing matters relating to corporate governance of the Corporation and its subsidiaries and oversight of climate related and other sustainability based risks and opportunities.

### **Membership of the Committee**

1. The Committee shall be comprised of two members or such greater number as the Board may from time to time determine, of whom the majority (or if there are two members, both of which) shall be "independent" (as such term is defined in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (as amended from time to time) ("**NI 58-101**").
2. The Board, from time to time, shall appoint the Chair of the Committee, who shall be an independent director, and other members of the Committee.
3. Any members of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains.

### **Mandate and Responsibilities of the Committee**

The Committee shall be responsible for:

#### *Governance Matters*

1. annually review the mandates of the Board and its committees and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable;
2. reviewing developments in corporate governance compliance and developing and recommending to the New SPAC Board a set of corporate governance guidelines and principles;
3. considering and, if thought fit, approving requests from one or more directors or committees of directors of the engagement of professional and other advisors from time to time;
4. annually reviewing the Corporation's disclosure of its corporate governance practices to be included in the Corporation's annual report or information circular as required by the Toronto Stock Exchange, NI 58-101 and any other applicable regulatory authority;
5. making recommendations to the Board as to which directors should be classified as "independent directors", pursuant to any such report or circular;

6. reviewing on a periodic basis the composition of the Board and ensuring that an appropriate number of independent directors sit on the Board, analyzing the needs of the Board, including considering the skill set and diverse representation on the Board and recommending nominees who meet the identified criteria and needs of the Board, pursuant to the applicable rules of the NASDAQ Capital Market;
7. evaluating, at least annually, the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors, including considering the appropriate size of the Board;
8. establishing a "skills matrix" outlining the skills and experiences which the Committee believes are required by members of the Board, reviewing the skills matrix annually and updating the skills matrix as necessary;
9. recommending suitable candidates for nominees for election or appointment as directors, and recommending the criteria governing the overall composition of the Board and governing the desirable individual characteristics for directors and in making such recommendations, the Committee should consider:
  - a. the needs of the Corporation and its stage of development and the competencies and skills that the Board considers to be necessary for the Corporation and the Board, as a whole, to possess;
  - b. the competencies and skills that the Board considers each existing director to possess;
  - c. the competencies and skills each new nominee will bring to the boardroom; and
  - d. whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.
10. ensuring persons to be nominated by the Committee:
  - a. have demonstrated notable or significant achievements in business, education or public service;
  - b. possess the requisite intelligence, education and experience to make a significant contribution to the Board and bring a range of skills, diverse perspectives and backgrounds to its deliberations; and
  - c. have the highest ethical standards, a strong sense of professionalism and intense dedication to serving the interests of the Corporation's shareholders;
11. the Committee will not distinguish among nominees recommended by the Corporation's shareholders and other persons;
12. as required, developing, for approval by the Board, an orientation and education program for new recruits to the Board;
13. acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;

14. developing and recommending to the Board for approval and periodic review structures and procedures designed to ensure that the Board can function effectively and independently of management;
15. making recommendations to the Board regarding appointments of corporate officers and senior management;
16. establishing, reviewing and updating periodically a Code of Conduct (the "**Code**") and ensuring that management has established a system to monitor compliance with these codes;
17. reviewing management's monitoring of the Corporation's compliance with the Code;
18. monitoring and making recommendations to the Board with respect to regulatory or other applicable changes in corporate governance;

*Climate and Sustainability*

19. overseeing the Corporation's policies, procedures, practises and strategies relating to climate related issues and other sustainability matters to ensure due consideration of risks, opportunities and potential performance improvement relating thereto;
20. reviewing and reporting to the Board with respect to the consideration and integration of climate related and sustainability issues in the development of the Corporation's business strategy and financial planning;
21. receipt of periodic reports from management regarding the Corporation's initiatives and opportunities to optimize its climate related and sustainability performance including processes to reduce or substitute energy and water use, reduce emissions and waste and minimize land disturbance;
22. considering and reviewing the setting and performance against appropriate targets, benchmarking, procedures and reporting methods used by the Corporation to measure its climate, safety, environmental and other relevant sustainability performance;
23. monitoring the Corporation's compliance with applicable environmental laws in the jurisdictions in which the Corporation operates;
24. considering and reviewing third party reports on the Corporation's sustainability performance and peer sustainability performance;
25. reviewing the Corporation's enterprise risk management program relating to identifying, assessing and managing climate related risks, whether physical or transition related and in view of plausible future scenarios, as well as other sustainability related risks, and report to the Audit Committee;
26. reviewing the Corporation's disclosure, reporting and external communication practices pertaining to climate and sustainability issues, including but not limited to assessments of materiality, ESG or sustainability report development and approach to analogous disclosure, media and social media campaigns and other written communication with stakeholders; and
27. reviewing shareholder proposals relating to sustainability issues and provide a report to the Board.

**Meetings and Administrative Matters**

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair shall preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee present shall designate from among the members present the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee shall be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least one time per year and at such other times as the Chair of the Committee may determine. Agendas, approved by the Chair, shall be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
5. The Committee may invite such officers, directors and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.
6. Minutes of all meetings of the Committee shall be taken and shall be made available to the Board. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
7. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
8. Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the Chair of the Board by the Chair of the Committee.

*Approved by the Board of Directors on February 23, 2023.*