



## **MAJORITY VOTING POLICY**

### **1. RESIGNATION FOLLOWING MAJORITY WITHHELD VOTE**

In an uncontested election of directors of Surge Energy Inc. (the "Corporation"), any nominee for election as a director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly following the date of the shareholders' meeting at which the election occurred tender his or her resignation to the Chairman of the Board of Directors. In this Policy, an "uncontested election" shall mean an election in which the number of nominees for election as director shall be equal to the number of directors to be elected.

### **2. RECOMMENDATION BY COMPENSATION COMMITTEE**

The Compensation Committee shall consider the resignation and, promptly following the date of the shareholders' meeting at which the election occurred, recommend to the Board of Directors whether or not to accept it. In considering whether or not to accept the resignation, the Compensation Committee shall consider all factors deemed relevant by it.

### **3. DECISION OF THE BOARD OF DIRECTORS**

The Board of Directors shall consider the Compensation Committee's recommendation and determine whether to accept the director's resignation within 90 days of the date of the shareholders' meeting at which the election occurred. In considering the Compensation Committee's recommendation, the Board of Directors shall consider the information and factors and alternatives considered by the Compensation Committee and such additional information and factors that the Board of Directors may consider to be relevant.

### **4. PRESS RELEASE**

Following the Board of Directors' decision, the Corporation shall promptly disclose, by way of press release, the Board of Directors' decision whether or not to accept the director's resignation.

### **5. NON-PARTICIPATION**

No director who, in accordance with this Policy, is required to tender his or her resignation, shall participate in the Compensation Committee's deliberations or recommendation, or in the Board's deliberations or determination, with respect to accepting or rejecting his or her resignation as a director.

## **6. AD HOC COMMITTEE**

If a majority of the members of the Compensation Committee received a Majority Withheld Vote in the same election, the independent directors then serving on the Board of Directors who received a greater number of votes “for” their election than votes “withheld” from their election will appoint an ad hoc Board committee from amongst themselves (the “Ad Hoc Committee”), consisting of such number of directors as they may determine to be appropriate, solely for the purpose of considering and making a recommendation to the Board of Directors with respect to the tendered resignations. The Ad Hoc Committee shall serve in place of the Compensation Committee and perform the Compensation Committee’s duties for the purposes of this Policy. Notwithstanding the foregoing, if an Ad Hoc Committee would have been created but fewer than three directors would be eligible to serve on it (including in circumstances where the entire Board of Directors receives a Majority Withheld Vote), the entire Board of Directors (other than any director whose resignation is being considered) will make the determination to accept or reject the tendered resignation without any recommendation from the Compensation Committee and without the creation of an Ad Hoc Committee.

## **7. OPTIONS FOLLOWING ACCEPTANCE OF RESIGNATION**

If a resignation is accepted, the Board of Directors may, in accordance with the provisions of the Business Corporations Act (Alberta): (i) leave the vacancy in the Board unfilled until the next annual meeting of shareholders; (ii) fill the vacancy created by the resignation by appointing a new director; or (iii) call a special meeting of shareholders to consider new board nominee(s) to fill the vacant position(s).