



## COMPENSATION AND GOVERNANCE COMMITTEE MANDATE

### Purpose

The Compensation and Governance Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Bellatrix Exploration Ltd. ("**Bellatrix**" or the "**Company**"). Its primary function is to assist the Board in carrying out the responsibilities delegated by the Board relating to (i) compensation of the Company's Chief Executive Officer ("**CEO**") and other executive officers (collectively, including the CEO, the "**Executive Officers**") and the Company's overall compensation philosophy, and (ii) corporate governance issues, including in respect of the Company's director nomination process, in each case in support of the achievement of the Company's business strategy.

### Committee Membership and Structure

The Committee will be comprised of three (3) or more directors, each of whom shall qualify as independent for purposes of (a) National Policy 58 101 – *Disclosure of Corporate Governance Practices* and (b) the rules of the New York Stock Exchange (the "**NYSE**").

Members of the Committee shall be appointed annually by the Board and will serve at the Board's discretion. Committee members may be removed from the Committee by the Board at any time, with or without cause, and vacancies will be filled through appointment by the Board. The Board shall appoint one member of the Committee as the Chair of the Committee (the "**Chair**").

### Meetings and Administrative Matters

The Committee shall meet as often as necessary to carry out its responsibilities. The Committee Chair shall preside at each meeting. If the Committee Chair is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting.

Committee meetings may be held in person, by means of telephone, video, or other communication facilities so as to permit all persons participating in the meeting to hear each other, or by combination of any of the foregoing.

At all meetings of the Committee every question will be decided by a majority of the votes cast on the question. In case of an equality of votes, the Chair presiding at any meeting shall not be entitled to a second or casting vote.

A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.

The Committee may invite such directors, officers and employees of the Company to its meetings as it deems appropriate to assist the Committee with the fulfilment of its duties and responsibilities.

The Committee shall have the sole authority to retain and terminate (or obtain the advice of) any advisor to assist it in the performance of its duties, but only after taking into consideration all factors relevant to the advisor's independence from management, including those specified in Section 303A.05(c) of the NYSE Listed Company Manual. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any advisor retained by the Committee, and shall have sole authority to approve the advisor's fees and the other terms and conditions of the advisor's retention. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to any advisor retained by the Committee.

### **Minutes and Board Reporting**

The Committee shall appoint a secretary who need not be a member of the Committee. The secretary shall keep minutes of the meetings of the Committee. Minutes of Committee meetings shall be sent to all Committee members. The Committee shall make regular reports to the Board.

### **Other Administrative Matters**

To the extent permitted by law and applicable stock exchange rules, the Committee may delegate its responsibilities to one or more subcommittees.

Any issues arising from meetings of the Committee that bear on the relationship between the Board and management should be communicated to the Chairman of the Board by the Committee Chair.

The Committee shall review and assess the adequacy of this Mandate at least annually, and shall recommend any proposed changes to the Board for approval.

### **Specific Responsibilities – Compensation Matters**

1. The Committee shall annually review the Company's compensation philosophy and practices, including the risks associated therewith, with a view to optimizing the Company's ability to recruit, retain, and motivate the employees necessary to execute the Company's business strategy.

2. The Committee shall annually review and approve corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of those goals and objectives and determine and approve the CEO's compensation level based on this evaluation.

3. The Committee shall, at least annually, review and approve the annual base salaries and annual incentive opportunities of the Executive Officers.

4. The Committee shall, periodically and as and when appropriate, review and approve the following as they affect the Executive Officers: (a) all other incentive awards and opportunities, including both cash-based and equity-based awards and opportunities; (b) any employment agreements and severance arrangements; (c) any change in control agreements and severance protection plans and change in control provisions affecting any elements of compensation and benefits; and (d) any special or supplemental compensation and benefits for the Executive Officers.

5. The Committee shall administer the Company's annual incentive plan (the "AIP"), including determining the relevant performance measures and targets thereunder, and evaluate performance based on those measures and targets for purposes of recommending to the Board bonuses to be paid to Executive Officers thereunder.

6. The Committee shall administer the Company's share option plan and other equity incentive plans (collectively, the "Equity Plans") approved by the Board (and shareholders, as applicable) in accordance with their terms, including recommending to the Board (and if delegated authority thereunder, approve) the grant of equity compensation thereunder.

7. The Committee shall review and discuss the Compensation Discussion and Analysis (the "CD&A") required to be included in any information circular with management, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.

8. The Committee shall oversee the Company's compliance with applicable securities laws regarding shareholder approval of certain executive compensation matters, including advisory votes on executive compensation and the frequency of such votes, and the requirement under applicable stock exchange rules that, with limited exceptions, shareholders approve equity compensation plans.

#### **Specific Responsibilities – Corporate Governance Matters**

9. The Committee shall determine the qualifications, qualities, skills and other expertise required to be a director of the Company, and develop criteria to be considered in selecting nominees for director.

10. The Committee shall actively identify and screen individuals qualified to become directors for recommendation to the Board, consistent with criteria identified by the Board.

11. The Committee shall seek to complete customary vetting procedures and background checks with respect to individuals suggested for potential Board membership by shareholders of the Company or other sources.

12. The Committee shall develop and oversee an orientation program for new directors and a continuing education program for current directors, and periodically review these programs and update them as necessary.

13. The Committee shall annually review and make recommendations to the Board with respect to the compensation and benefits of directors, including under any incentive compensation plans and equity-based compensation plans.

14. Committee shall develop a process for an annual assessment of effectiveness of the Board, its committees, and the contribution of individual directors, and oversee the conduct of this annual assessment.

15. The Committee shall annually, or more frequently as it deems appropriate, review and reassess the Company's corporate governance practices, including a review of the Board's committee structure, and annually recommend to the Board a *Statement of Corporate Governance Practices* to be included in the Company's annual report or information circular as required by the Toronto Stock Exchange and any other regulatory authority.

16. The Committee shall annually review the mandates of the Board and its committees, including the mandate of this Committee, and recommend to the Board such amendments to those mandates as the Committee believes are necessary or desirable.

17. The Committee shall monitor compliance with the Company's Code of Business Conduct and Ethics (the "**Code**"), investigate any alleged breach or violation of the Code, enforce the provisions of the Code, and review the Code periodically and recommend any changes to the Board.

18. The Committee shall annually, or more frequently as it deem appropriate, review the succession planning for the Board and the Company's Executive Officers.

***Approved by the Board of Directors effective as of August 2, 2018***