



AUDIT COMMITTEE MANDATE

Effective Date: October 3, 2023

1. Purpose and Scope

The Audit Committee (the "**Committee**") of Strathcona Resources Ltd. (the "**Corporation**") is a committee of the Board of Directors (the "**Board**"). As delegated by the Board, the Committee shall attend to the responsibilities set out in this mandate of the Committee (this "**Mandate**").

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board. The Board may fill vacancies in the Committee by appointment, and if and whenever a vacancy shall exist in the Committee, the remaining members may exercise all of its powers so long as a quorum remains in office.

Independence of Members

Each member of the Committee shall be independent within the meaning of the provisions of National Instrument 52-110 – *Audit Committees*, as may be amended or replaced from time to time ("**NI 52-110**"), unless the Board determines that an individual qualifies under an exception contained in NI 52-110.

Term of Members

The members of the Committee shall be appointed by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

Committee Chair

The Board may appoint a chair of the Committee (the "**Committee Chair**"). If a Committee Chair is not appointed by the Board, the members of the Committee shall designate a Committee Chair by majority vote of the full Committee membership. Notwithstanding any of the foregoing, the Committee Chair must be: (a) a member of the Committee; and (b) independent within the meaning of NI 52-110.

In the absence of the Committee Chair at a meeting of the Committee, the members of the Committee present may appoint a chair from their number for such meeting.

Financial Literacy of Members

At the time of their appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the 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.

3. Meetings

Frequency of Meetings

The Committee shall meet as often as the Committee considers appropriate to fulfill its responsibilities, but in any event at least once per fiscal quarter.

Quorum

No business may be transacted by the Committee at a meeting of the Committee unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum. Members may participate in a meeting of the Committee by electronic means, and a member participating in such a meeting by electronic means is deemed to be present at the meeting.

Calling of Meetings

The Committee Chair, any member of the Committee, the Corporation's external auditor's (the "**External Auditors**"), the Chair of the Board, the Corporation's Chief Executive Officer or Chief Financial Officer may call a meeting of the Committee by notifying the Corporation's Corporate Secretary who will notify the members of the Committee.

Minutes; Reporting to the Board

The Corporation's Corporate Secretary shall act as secretary at any meeting of the Committee, unless an alternative secretary is appointed by the Committee (who need not be a member of the Committee). Minutes and other records of meetings and activities of the Committee shall be recorded and maintained in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee Chair may report orally to the Board on any matter in their view requiring the immediate attention of the Board.

Attendance of Non-Members

The External Auditors are entitled to receive notice of each Committee meeting and, at the expense of the Corporation, to attend and be heard at the meeting, and, if so requested by a member of the Committee, shall attend every meeting of the Committee held during the term of office of the External Auditor. In addition, the Committee may invite to a meeting of the Committee any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

At least once per year, the Committee or the Committee Chair is entitled to meet with the internal auditor, if any, and management in separate sessions to discuss matters that the Committee, the Committee Chair or such individuals consider appropriate.

Meetings Without Management and Executive Sessions

The independent directors of the Committee may, at their discretion, hold *ad hoc* meetings, either during or outside of a meeting of the Committee that are not attended by management or non-independent directors of the Committee.

The Committee may also meet separately, at unscheduled or regularly scheduled meetings or portions of meetings, in executive session or otherwise with each of the External Auditor and management, as the Committee deems appropriate.

Access to Management and Books and Records

The Committee shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Corporation's management and employees and the books and records of the Corporation.

4. Responsibilities

The Committee shall have the responsibilities outlined below as well as any other responsibilities that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these responsibilities, the Committee shall perform the responsibilities required of an audit committee by the Corporation's governing corporate statute, applicable Canadian securities laws, any exchange upon which securities of the Corporation are listed, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

Financial Reports

(a) General

The Committee is responsible for overseeing the Corporation's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the financial reporting policies used by the Corporation. The External Auditors are responsible for auditing the annual financial statements of the Corporation and for reviewing the unaudited interim financial statements of the Corporation.

(b) Review of Annual Financial Reports

The Committee shall review the annual audited financial statements of the Corporation, the auditors' report thereon and the related management's discussion and analysis of the Corporation's financial condition and financial performance ("**MD&A**"). After completing its review, if advisable, the Committee shall approve and recommend the annual financial statements and the related MD&A for Board approval.

(c) Review of Interim Financial Reports

The Committee shall review the interim financial statements of the Corporation, the auditors' review report thereon, if any, and the related MD&A. After completing its review, if advisable, the Committee shall approve and recommend the interim financial statements and the related MD&A for Board approval.

(d) **Review Considerations**

In conducting its review of the annual financial statements or the interim financial statements, the Committee shall:

- (i) meet with management and the External Auditors to discuss the financial statements and related MD&A;
- (ii) review the disclosures in the financial statements and the related MD&A and earnings press release before the Corporation publicly discloses such information;
- (iii) review the audit report or interim review report, if any, thereon prepared by the External Auditors;
- (iv) discuss with management, the External Auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements unless such matter has been dealt with at the Board level;
- (v) review the Corporation's critical accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) consider the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus;
- (vii) review management's process for formulating sensitive accounting estimates and the reasonableness of these estimates;
- (viii) review significant recorded and unrecorded audit adjustments;
- (ix) review any material financial outlooks and future-oriented financial information before the Corporation publicly discloses such information;
- (x) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under applicable generally accepted accounting principles ("**GAAP**");
- (xi) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (xii) inquire at least annually of both the Corporation's management, accounting group and the Corporation's auditors as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies;
- (xiii) review with the auditors alternative accounting treatments that have been discussed with management;

- (xiv) review with management any significant changes in GAAP, as well as emerging accounting and auditing issues, and their potential effects;
- (xv) review with management matters that may have a material effect on the financial statements;
- (xvi) review management's report on the effectiveness of internal controls over financial reporting;
- (xvii) review the factors identified by management as factors that may affect future financial results;
- (xviii) review results of the Audit Committee's whistleblower hotline program, if any; and
- (xix) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Committee under accounting policies, auditing standards or Applicable Requirements.

External Auditors

(a) General

The Committee shall be directly responsible for oversight of the work of the External Auditors, including the External Auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work. When a change of External Auditors is proposed, the Committee shall review all issues related to the change, including the information required to be disclosed by applicable legal requirements and the planned steps for an orderly transition.

(b) Nomination and Compensation

The Committee shall review and, if advisable, recommend for Board approval the External Auditors to be nominated for appointment by the shareholders of the Corporation and the compensation of such External Auditors. The Committee shall have ultimate authority to approve all audit engagement terms, including the External Auditors' audit plan.

(c) Resolution of Disagreements

The Committee shall assess the effectiveness of the working relationship of the External Auditors with management and resolve any disagreements between management and the External Auditors as to financial reporting matters brought to its attention.

The Committee shall review all reportable events, including disagreements, unresolved issues and consultations with the External Auditors, whether or not there is to be a change of External Auditors, and receive and review all reports prepared by the External Auditors.

(d) Discussions with External Auditors

At least annually, the Committee shall discuss with the External Auditors such matters as are required by applicable auditing standards to be discussed by the External Auditors with the Committee.

(e) **Audit Plan**

At least annually, the Committee shall review a summary of the External Auditors' annual audit plan. The Committee shall consider and review with the External Auditors any material changes to the scope of the plan.

(f) **Independence of External Auditors**

At least annually, and before the External Auditors issue their report on the annual financial statements of the Corporation, the Committee shall obtain from the External Auditors a formal written statement describing all relationships between the External Auditors and the Corporation; discuss with the External Auditors any disclosed relationships or services that may affect the objectivity and independence of the External Auditors; and obtain written confirmation from the External Auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the External Auditors belong and other Applicable Requirements. The Committee shall take appropriate action to oversee the independence of the External Auditors.

(g) **Evaluation of Lead Partner**

At least annually, the Committee shall review the qualifications and performance of the lead partner(s) of the External Auditors and determine whether it is appropriate to adopt a policy of rotating lead partners of the External Auditors.

(h) **Requirement for Pre-Approval of Non-Audit Services**

The Committee shall approve in advance any and all audit services and permissible non-audit services to be performed by the External Auditors for the Corporation or its subsidiary entities that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures, and adopt and implement policies for such pre-approval. The Committee shall consider the impact of such service and fees on the independence of the External Auditors. The Committee may delegate pre-approval authority to a member of the Committee, provided that the decisions of any member of the Committee to whom this authority has been delegated must be presented to the full Committee at its next scheduled Committee meeting.

(i) **Approval of Hiring Policies**

The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former External Auditors of the Corporation.

Internal Auditors and Financial Executives

(a) **Internal Auditor**

The Committee shall periodically review, assess, and consider the approval of the creation and the mandate, plan, budget and staffing of an internal audit department. The Committee shall direct management of the Corporation to make changes it deems advisable in respect of the internal audit function. The Committee shall review the appointment, performance and replacement of a senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for such internal audit function.

(b) **Financial Executives**

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the compensation committee of the Board, as appropriate.

Internal Controls

(a) **General**

The Committee shall review the Corporation's system of internal controls.

(b) **Establishment, Review and Approval**

The Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Committee shall periodically consider and review with management and the External Auditors:

- (i) the adequacy of the procedures in place for the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements;
- (ii) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
- (iii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's periodic regulatory filings;
- (iv) any material issues raised by any inquiry or investigation by the Corporation's regulators;
- (v) the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (vi) any related significant issues and recommendations of the External Auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Risk Management

The Committee shall be responsible for overseeing management's identification and assessment of the principal risks to the operations of the Corporation and the establishment and management of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Corporation and to the long-term viability of the Corporation. In this regard, the Committee shall require management to report at least annually to the Committee, and the Committee shall review such reports provided by management and report to the board at least annually, on the principal risks associated with the Corporation's business and operations (including, but not limited to, risks related to information security, as well as environmental, social and governance matters), the implementation by management of appropriate systems to identify, assess, manage and mitigate these risks, and the operation of, and any material deficiencies in, these systems.

Compliance with Legal and Regulatory Requirements

The Committee shall review reports from the Corporation's Corporate Secretary and other management members on: (a) legal or compliance matters that may have a material impact on the Corporation; (b) the effectiveness of the Corporation's compliance policies; and (c) any material communications received from regulators. The Committee shall review management's evaluation of and representations relating to compliance with specific applicable laws and guidance, and management's plans to remediate any deficiencies identified.

Whistleblower Procedures

The Committee shall establish procedures for: (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

Any such complaints or concerns that are received shall be reviewed by the Committee and Lead Director and, if the Committee and Lead Director determines that the matter requires further investigation, it will direct the Lead Director to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the Corporation's legal counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the Corporation's disclosure documents.

Delegation

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee or any member of the Committee to review any matter within this Mandate as the Committee deems appropriate.

5. Conflicts of Interest

The Committee, in consultation with the Lead Director, shall review the Corporation's policies relating to the avoidance of conflicts of interest and review and approve all payments to be made pursuant to any related party transactions involving executive officers and members of the Board

or any significant shareholders of the Corporation, as may be necessary or desirable under the Applicable Requirements. The Committee shall consider the results of any review of these policies and procedures by the External Auditors.

6. Outside Advisors

The Committee shall have the authority to seek, retain and terminate external accounting, legal, consulting or other advisors from a source independent of management, at the expense of the Corporation, with notice to either the Chair of the Board, the Lead Director of the Board or the Corporation's Chief Executive Officer, as deemed appropriate by the Committee, to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors. The Corporation shall provide appropriate funding, as determined by the Committee, for the services of these advisors.

7. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the committees of the Board assist the Board in directing the affairs of the Corporation. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Corporation's constating documents, it is not intended to establish any legally binding obligations.

8. Mandate Review

The Committee shall periodically review and assess the adequacy of this Mandate and recommend any proposed changes to this Mandate to the Board for consideration.