



**ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 26, 2016**

**NOTICE OF ANNUAL MEETING AND
MANAGEMENT INFORMATION CIRCULAR**

DATED: SEPTEMBER 21, 2016

**TO BE HELD AT
THE GLENMORE INN
Ogden Room
2720 Glenmore Trail S.E.
Calgary, Alberta
T2C 2E6**

RAISE PRODUCTION INC.

NOTICE OF ANNUAL MEETING TO BE HELD ON OCTOBER 26, 2016

NOTICE IS HEREBY GIVEN (the “**Notice of Meeting**”) that an annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of RAISE PRODUCTION INC. (the “**Corporation**”) will be held at 9:00 am (Calgary time) on October 26, 2016 at The Glenmore Inn, Ogden Room, 2720 Glenmore Trail S.E., Calgary, Alberta, Canada, for the following purposes:

1. To receive the audited financial statements of the Corporation for the financial year ended December 31, 2015;
2. To fix the board of directors of the Corporation (the “**Board**”) to be elected at the Meeting at six members and to elect the Board of the Corporation for the ensuing year;
3. To consider and, if thought appropriate, to pass, with or without variation, an ordinary resolution approving the appointment of Ernst & Young LLP, as the Corporation’s auditor for the ensuing year and to authorize the Board to fix the auditor’s remuneration; and
4. To transact any such other business as may properly be brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying management information circular, including the schedules thereto.

Only Shareholders of record at the close of business on September 21, 2016 will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder, not later than 10 calendar days before the Meeting, establishes ownership of the Common Shares and demands that the transferee’s name be included on the list of Shareholders. Such transferee will be entitled to vote those Common Shares at the Meeting.

A registered Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare, Proxy Tabulation Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 no later than 9:00 am (Calgary time) on October 24, 2016, or if the Meeting is adjourned, by no later than 48 hours prior to the time and date on which the Meeting is reconvened. **If you are a beneficial Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or other intermediary.**

The persons named in the enclosed form of proxy (the “**Management Designees**”) are members of the Corporation’s management and Board. **Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for him or her and on his or her behalf at the Meeting.** To exercise such right, the names of the Management Designees should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided. **The instrument appointing the proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.**

DATED at Calgary, Alberta, September 21, 2016.

BY ORDER OF THE BOARD OF DIRECTORS

By:



President and Chief Executive Officer

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (“Circular”) is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting, which is to be held on October 26, 2016, at the times and places and for the purposes set forth in the Notice of Meeting. The cost of the solicitation of proxies by the Corporation in connection with the Meeting has been and will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, or by other means of communication or by the directors, officers and employees of the Corporation, who will not be remunerated for this service.

Voting of Proxies and Appointment of Proxyholder

The form of proxy accompanying this Circular confers discretionary authority upon the Management Designees with respect to any amendments or variations to matters identified in the Notice of Meeting or any other matters which may properly come before the Meeting. On any ballot or poll, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder as specified in the proxy with respect to any matter to be voted on. **If a choice is not so specified, or if both choices are specified, with respect to any such matter, the Common Shares represented by a proxy given to management will be voted in favour of the resolutions referred to therein, for approval and adoption of each of the resolutions to be considered at the Meeting.** A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for the Shareholder and on the Shareholder’s behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy and striking out the names now designated. **The form of proxy for the Corporation must be delivered by mail to Computershare, Proxy Tabulation Department, 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 no later than 9:00 am (Calgary time) on October 24, 2016, or if the Meeting is adjourned, by no later than 48 hours prior to the time and date on which the Meeting is reconvened.**

If any amendments or variations are proposed at the Meeting or any adjournment thereof to matters set forth in the proxy and described in the accompanying Notice of Meeting and this Circular, or if any other matters properly come before the Meeting or any adjournment thereof, the proxy confers upon the Shareholder’s nominee discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the person voting the proxy at the Meeting. **At the date of this Circular, the Board knows of no such amendments or variations or other matters to come before the Meeting.**

Revocability of Proxy

A Shareholder has the right to revoke a proxy at any time before it is exercised. A proxy may be revoked by a written revocation signed by the Shareholder or the Shareholder’s authorized attorney or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation either: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the date of the Meeting or any adjournment of the Meeting at which the proxy is to be used; or (ii) with the Chairman of the Meeting on the day of the Meeting, or any Adjournment thereof. A proxy may also be revoked in any other manner provided by law.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many Shareholders of the Corporation, as a substantial number of Shareholders do not hold Common Shares in their own name.

Only proxies deposited by shareholders whose names appear on our records as the registered holders of Common Shares (defined herein as “**Registered Shareholders**”) can be recognized and acted upon at the Meeting. Shareholders who do not hold their Common Shares in their own name (defined herein as “**Beneficial Shareholders**”) are advised that only proxies from Registered Shareholders of record or duly appointed proxyholders can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their Common Shares as a Registered Shareholder.

If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. Common Shares held by your broker or their nominee can only be voted (for or against resolutions) upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedure and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc., which mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number or access the internet to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of such shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge Financials Solutions Inc., it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the shares voted.**

If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the Registered Shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the document to your broker (or broker’s agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

In relation to the meeting, the Corporation’s Registered Holders will receive a paper copy of the notice of meeting, this Circular dated September 21, 2016 and a form of proxy (the “proxy-related materials), as well as a copy of our audited financial statements and related management’s discussion and analysis. The proxy-related materials are being sent to both Registered Holders and non-registered owners of Common Shares. The Corporation is sending the proxy-related materials indirectly to non-objecting beneficial owners under National Instrument 54-101 (“**NI 54-101**”). The Corporation is not relying on the notice-and-access provisions of NI 54-101. The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners the proxy-related materials under NI 54-101 and Form 54-101F7 - Request for Voting Instructions Made by Intermediary.

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 Beneficial Shareholders who have previously requested to receive paper copies of our financial information.

RECORD DATE, VOTING COMMON SHARES AND PRINCIPAL HOLDERS

The record date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting was fixed by the Board as September 21, 2016 (the “Record Date”). As at the Record Date, there were 88,941,691 Common Shares outstanding and entitled to be voted at the Meeting and each Common Share is entitled to one vote.

To the knowledge of the Board, as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to all of the issued and outstanding Common Shares, other than as set forth below.

Name	Type of Ownership	Number of Common Shares	Percentage of Common Shares
Joseph Kasawal	Direct ⁽¹⁾	9,035,803	10.16%

Notes:

(1) The registered holder of the common shares consists of Joseph Kasawal or companies controlled by Joseph Kasawal.

BUSINESS TO BE ACTED UPON AT THE MEETING

Receipt of Financial Statements

The Corporation's audited annual financial statements for the year ended December 31, 2015, and the auditors' report thereon will have been sent to all registered Shareholders prior to the Meeting, and are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. No formal action will be taken at the Meeting to approve the financial statements, which have already been approved by the Board.

Election of Directors

At the meeting it is proposed that six directors be elected to serve until the next annual general meeting or until their successors are elected or appointed in accordance with the *Business Corporations Act* (Alberta) and the Bylaws of the Corporation. There are presently six directors of the Corporation.

The six individuals proposed to be nominated for election as a director of the Corporation are:

Sherry Austin, Dell Chapman, Marvin Clifton, Rod Graham, Eric Laing and Ken Zinger

In the absence of contrary instructions, the Management Designees intend to vote the Common Shares represented thereby in favour of electing each of the nominees named above as directors of the Board.

See "Election of Board of Directors" for additional information. The Board does not contemplate that any of such nominees will be unable to serve as directors.

Appointment of Auditor

The Board proposes to appoint Ernst & Young LLP, as the auditor of the Corporation. Ernst & Young LLP has served as the auditor of the Corporation since November 1, 2012.

In the absence of contrary directions, the Management Designees intend to vote the Common Shares represented thereby in favour of the ordinary resolution appointing Ernst & Young LLP as auditor of the Corporation and authorizing the directors to fix their remuneration.

Other Business

The Corporation's management is not aware of any other matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters come before the Meeting, it is the intention of the Management Designees to vote the same in accordance with their best judgment in such matters.

ELECTION OF BOARD OF DIRECTORS

The following table sets forth the name of the six persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by them, their jurisdiction of residence, principal occupation at the present, the period during which they have served on the Board, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the date hereof.

Name and Jurisdiction of Residence	Principal Occupation	Office Held and Date Appointed	Voting Shares Beneficially Owned or over which Control or Direction is Exercised
Sherry Austin ⁽¹⁾⁽²⁾ Alberta, Canada	Private consultant specializing in governance issues, strategic planning, policy development, corporate communications and executive coaching.	Director (June 24, 2004)	2,259,912 [2.54%]

Name and Jurisdiction of Residence	Principal Occupation	Office Held and Date Appointed	Voting Shares Beneficially Owned or over which Control or Direction is Exercised
Dell Chapman ⁽¹⁾ Alberta, Canada	Independent businessman since July 2013 and prior thereto, was the Senior Vice President and Chief Financial Officer of Equal Energy Ltd, a TSX-listed company. Was a Chartered Accountant for over 30 years and is a Chartered Financial Analyst.	Director (September 26, 2011)	682,600 [<1%]
Marvin Clifton ⁽²⁾⁽³⁾ Alberta, Canada	Independent businessman since June 2011 and prior thereto, was the Chief Executive Officer and President of Technicoil Corporation.	Director (September 26, 2011)	125,000 [<1%]
Rod Graham ⁽¹⁾⁽²⁾ Alberta, Canada	President and Chief Executive Officer of Horizon North Logistics Inc. Director of Stuart Olsen Inc. and previous Director of Horizon North Logistics Inc., both TSX-listed companies.	Director (October 19, 2012)	1,333,200 [1.50%]
Eric Laing Alberta, Canada	President and Chief Executive Officer of the Corporation since July 2011 and prior thereto was the President and Vice President of Stellarton Technologies Inc. since 2006.	Director (June 12, 2013)	288,300 [<1%]
Ken Zinger ⁽²⁾⁽³⁾ Alberta, Canada	Chief Operating Officer of Canadian Energy Services & Technology Corporation, a TSX and OTCQX listed company.	Director (October 19, 2012)	2,816,601 [3.17%]

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Corporate Governance, Compensation and Nomination Committee.
- (3) Member of the Health, Safety and Environment Committee ("HSEC").

Corporate Cease Trade Orders or Bankruptcies

None of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any entity, including the Corporation that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation for a period of more than 30 consecutive days, or after such persons ceased to be a director, chief executive officer or chief financial officer of the entity, was the subject of a cease trade or similar order or an order that denied the entity access to any exemption under securities legislation, for a period of more than 30 consecutive days, which resulted from an event that occurred while acting in such capacity.

In addition, none of those persons who are proposed directors of the Corporation is, or has been within the past ten years, a director or executive officer of any entity, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of those persons who are proposed directors of the Corporation (or any personal holding companies) have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

No proposed director of the Corporation, or a personal holding company of any such person has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation Discussion and Analysis

Overview

The Corporation has a compensation committee (the “**Compensation Committee**”) that is responsible for setting the overall compensation strategy of the Corporation and evaluating and making recommendations to the Board for the compensation of directors and senior officers and is comprised solely of independent directors.

In developing the compensation strategy, the Compensation Committee considers the stage of development of the Corporation, the small number of executive officers, the external market for similar positions and the financial performance of the Corporation. These factors influence both the elements of compensation and the sophistication of the manner of their determination. In addition, the Corporation relies on the flexibility of the executive officers in relation to their receipt of compensation.

Objectives of Compensation Program

It is the objective of the Corporation’s compensation program to attract and retain highly qualified executives and to link incentive compensation to personal and corporate performance and enhancing shareholder value. In evaluating the annual performance of the executive officers, the Compensation Committee considers quantitative objectives including relative shareholder value as well as qualitative aspects of the individual’s performance and achievements.

Composition of the Compensation Committee

The following individuals were members of the Compensation Committee during the year ended December 31, 2015:

Name	Independent/ Not Independent⁽¹⁾	Relevant Experience
Sherry Austin	Independent	Dr. Austin has a PhD in Postsecondary Governance and was previously the Vice President of two postsecondary institutions with numerous and diverse compensation policies and procedures to administer.
Marvin Clifton	Independent	Mr. Clifton has been an independent businessman since June 2011 and prior thereto, was the Chief Executive Officer and President of Technicoil Corporation.
Rod Graham	Independent	Mr. Graham is a Chartered Financial Analyst, has a degree in Business Administration and a Masters of Business Administration, completed the Institute of Corporate Directors (“ICD”) accreditation program and is currently the President and Chief Executive Officer of Horizon North Logistics Inc.
Ken Zinger	Independent	Mr. Zinger is Chief Operating Officer of Canadian Energy Services & Technology.

Note:

(1) As defined by National Instrument 52-110 – Audit Committees (“**NI 52-110**”)

Role of the Executive Officers in the Compensation Process

The Compensation Committee will receive and review any recommendations of the President and Chief Executive Officer relating to the general compensation structure and programs for the Corporation and the salary and benefit levels of executive officers.

Risks of Compensation Program

The Compensation Committee has considered the implications of the risks associated with the Corporation's compensation policies and practices and it has a significant role in this risk oversight through regular discussions with the Corporation's President and Chief Executive Officer. An identified risk is the ability of the Corporation to attract and retain qualified executives and employee's given the current development stage status of the Corporation requiring it to offer below-market salaries and bonuses to these individuals.

Elements of the Compensation Program

The Corporation's compensation comprises: (i) base salary and benefits, (ii) a discretionary incentive bonus plan and (iii) incentive stock options under a fixed stock option plan. Each component of the executive compensation program is addressed below.

Base Salaries and Benefits

Salaries for the executive officers are reviewed annually based on corporate and personal performance and on individual levels of responsibility. Salaries for the executive officers are not determined based on a specific formula. The Compensation Committee submits its recommendation to the Board as to the salary of the President and Chief Executive Officer. The Compensation Committee considers, and if thought appropriate, approves salaries recommended by the President and Chief Executive officer for the other executive officers of the Corporation. Base salaries are established to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits as determined by the Compensation Committee that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not provide any pension or retirement benefits to its executive officers.

Incentive Bonus Plan

To relate the compensation of the senior executive officers of the Corporation to the performance of the Corporation, the Board, on the recommendation of the Compensation Committee, adopted a senior executive bonus plan (the "**Bonus Plan**") pursuant to which a discretionary incentive bonus is provided from time to time. Special bonuses may be provided related to significant projects.

The Board, through the Compensation Committee, will review the Bonus Plan on an annual basis at the time of approving the annual budget. The Board, through its Compensation Committee, has the authority to make any changes to the Bonus Plan at any time to take into account any extenuating circumstances or to correct any inequities which may have not been foreseen at the time the Bonus Plan was established or at any annual review. The last bonus payments under the Bonus Plan were those related to the 2013 fiscal period.

Stock Option Plan

The Compensation Committee makes recommendations to the Board regarding the administration of and the awarding of options under the stock option plan ("**Option Plan**"). The shareholders approved a fixed Option Plan on October 19, 2012, which provides 10,600,000 of the issued and outstanding Common Shares to be reserved for issuance to directors, officers, employees and consultants of the Corporation on the exercise of options granted under the Option Plan. The Compensation Committee determines the number of options to be granted to each executive officer based on the level of responsibility and experience in the position.

The Compensation Committee regularly reviews and where appropriate adjusts the number of options granted to individuals and determines the vesting provisions of such options.

The Compensation Committee sets the number of options as appropriate to attract and retain qualified and talented employees. The Compensation Committee also takes account of the Corporation's contractual obligations and the award history for all participants in the Option Plan. The Option Plan is designed to provide a long-term incentive to officer and employees that is linked to shareholder value.

Executive officers and directors of the Board are not permitted to purchase 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 equity securities granted as compensation or held, directly or indirectly, by the officer or director.

Summary Compensation Table

The following table provides a summary of compensation earned in respect of the Corporation's most recently completed financial year by the Chief Executive Officer and the Chief Financial Officer (the "NEOs") who served as executive officers of the Corporation during the year ended December 31, 2015. There were no other executive officers of the Corporation at the end of the most recently completed financial year whose total compensation exceeded \$150,000 per year.

Name and Principal Position	Year	Salary (\$)	Option-Based Awards ⁽¹⁾ (\$)	Non-Equity Incentive Plan Compensation (\$) Annual Incentive Plans	All Other Compensation ⁽²⁾ (\$)	Total Compensation (\$)
Eric Laing President and Chief Executive Officer	2015	150,000	-	-	10,800	160,800
	2014	150,000	63,106	-	9,900	223,006
	2013	150,000	-	25,000	13,376	188,376
Susan Scullion ⁽³⁾ Chief Financial Officer	2015	140,000	-	-	9,600	149,600
	2014	140,000	47,565	-	9,600	197,165
	2013	130,487	136,006	11,250	8,800	286,543

Notes:

- (1) The fair value on grant date assigned by the Board to the option-based awards for the year ended December 31, 2014 were calculated utilizing the Black-Scholes valuation model and are based on the estimate of the Corporation's weighted-average risk-free interest rate of 1.3% (2013 - 1.3%), long-term volatility, which is estimated to be 73% (2013 - 72%) and weighted average term of the options, which is 4.4 years (2013 - 2.8 years). No options were issued to NEO's for the year ended December 31, 2015. The Corporation uses the Black Scholes option pricing model to calculate the grant date fair value of options issued to NEOs, as the Black Scholes model is commonly used by other issuers to calculate the value of options and is an acceptable model to estimate the "cost" of options for financial statement purposes.
- (2) Consists of vehicle allowances.
- (3) Effective January 28, 2013, Ms. Scullion joined the Corporation and was appointed Chief Financial Officer on February 1, 2013.

Incentive Plan Awards - Outstanding Option-Based Awards – Named Executive Officer's

The following table provides a summary of all option-based awards outstanding to the NEO's as at December 31, 2015.

Name & Principal Position	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date ⁽³⁾	Value of unexercised in-the- money options ⁽¹⁾⁽²⁾ (\$)
Eric Laing President and Chief Executive Officer	180,000	0.14	February 8, 2017	41,400
	1,223,750	0.24	August 23, 2017	159,088
	526,250	0.43	November 5, 2017	-
	100,000	1.15	November 17, 2019	-
Susan Scullion Chief Financial Officer	700,000	0.42	January 31, 2018	-
	80,000	0.98	December 3, 2019	-

Notes:

- (1) The closing price of the Common Shares on the TSX-V on December 31, 2015 was \$0.37, which was the last trading day of the Corporation's most recently completed fiscal year.
- (2) The value of unexercised in-the-money options is calculated by multiplying the number of options by the difference between the closing price of the Common Shares on the TSX-V on December 31, 2015 and the exercise price of the option.
- (3) All options granted expire five years after the date of the grant and vesting terms vary by grant with one-third released at each of three specified dates during the vesting period.

Incentive Plan Awards – Value Vested or Earned During the Year – Named Executive Officer’s

The following table provides a summary of the value vested or earned in respect of option-based awards of the NEO’s during the Corporation’s financial year ended December 31, 2015.

Name & Principal Position	Option-Based Awards Value Vested During the Year ⁽¹⁾ (\$)
Eric Laing President and Chief Executive Officer	55,800
Susan Scullion Chief Financial Officer	-

Notes:

- (1) The value of options vested during the year is calculated by multiplying the number of vested options by the difference between the closing price of the Common Shares on the TSX-V on the day of vesting and the exercise price of the option.

Pension Plan Benefits

The Corporation currently has no defined benefit, deferred compensation or actuarial plans for its NEO’s or directors of the Corporation.

Termination of Employment, Change in Responsibilities and Employment Contracts

Other than as set forth below, the Corporation has no contract, agreement, plan or arrangement that provides for payments to a NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a Named Executive Officer’s responsibilities.

Pursuant to an employment agreement (the “**Employment Agreement**”) between Eric Laing and the Corporation dated June 17, 2011, the Corporation agreed to engage Mr. Laing upon the following terms and conditions:

- (a) Mr. Laing was appointed as President of the Corporation;
- (b) the annual compensation was initially set at \$150,000, subject to review by the board of directors on a periodic basis, and Mr. Laing is eligible, under certain circumstances, to bonuses and stock options;
- (c) Mr. Laing will be reimbursed for reasonable expenses incurred in connection with his employment, including those incurred while traveling on business on the Corporation’s behalf;
- (d) after the end of his employment, Mr. Laing is subject to a number of conditions owing to non-competition, non-solicitation and confidentiality provisions; and
- (e) Mr. Laing is entitled to receive a \$300,000 termination payment in the event that he is terminated or constructively dismissed without cause or he resigns his position as a result of the following:
 - (i) there is a change of control event as defined by the Employment Agreement that was not supported by Mr. Laing; or
 - (ii) there is a material breach of the Employment Agreement by the Corporation.

Director Compensation

No compensation was earned by the members of the Board and no stock options were issued to the members of the Board during the financial year ended December 31, 2015.

Incentive Plan Awards - Outstanding Option-Based Awards - Directors

The following table provides a summary of all option-based awards outstanding to members of the Board as at December 31, 2015.

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date ⁽³⁾	Value of unexercised in-the-money options ⁽¹⁾⁽²⁾ (\$)
Sherry Austin	75,000	0.14	February 8, 2017	17,250
	125,000	0.51	November 22, 2017	-
Dell Chapman	150,000	0.14	February 8, 2017	34,500
	100,000	0.51	November 22, 2017	-
Marvin Clifton	150,000	0.14	February 8, 2017	34,500
	100,000	0.51	November 22, 2017	-
Rod Graham	150,000	0.51	November 22, 2017	-
	100,000	1.15	November 17, 2019	-
Robert Steele ⁽⁴⁾	150,000	0.14	January 25, 2016	34,500
	100,000	0.51	January 25, 2016	-
Ken Zinger	150,000	0.51	November 22, 2017	-
	100,000	1.15	November 17, 2019	-

Notes:

- (1) The closing price of the Common Shares on the TSX-V on December 31, 2015 was \$0.37, which was the last trading day of the Corporation's most recently completed fiscal year.
- (2) The value of unexercised in-the-money options is calculated by multiplying the number of options by the difference between the closing price of the Common Shares on the TSX-V on December 31, 2015 and the exercise price of the option.
- (3) All options granted expire five years after the date of the grant and vesting terms vary by grant with one-third released at each of three specified dates during the vesting period.
- (4) Mr. Steele did not stand for re-election to the Board at the Company's last AGM on October 27, 2015.

Incentive Plan Awards – Value Vested or Earned During the Year - Directors

The following table provides a summary of the value vested or earned in respect of option-based awards of the member's of the Corporation's Board during the financial year ended December 31, 2015.

Name	Option-Based Awards Value Vested During the Year ⁽¹⁾ (\$)
Sherry Austin	23,250
Dell Chapman	46,500
Marvin Clifton	46,500
Rod Graham	-
Robert Steele ⁽²⁾	46,500
Ken Zinger	-

Notes:

- (1) The value of options vested during the year is calculated by multiplying the number of vested options by the difference between the closing price of the Common Shares on the TSX-V on the day of vesting and the exercise price of the option.
- (2) Mr. Steele did not stand for re-election to the Board at the Company's last AGM on October 27, 2015.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, executive officer, employee, former director, former executive officer or former employee of the Corporation or its subsidiaries, or any associate or affiliate of the foregoing, has been indebted to the Corporation at any time during the most recently completed financial year, nor have any of the persons described in the preceding sentence have, since the beginning of the most recently completed financial year, been indebted to another entity to which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

For the purposes of the above, a support agreement includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at December 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽¹⁾
Equity compensation plans approved by Shareholders	8,212,500	\$0.43	800,000
Equity compensation plans not approved by Shareholders	-	-	-
Total	8,212,500	\$0.43	800,000

Note:

- (1) The shareholders approved the Option Plan on October 19, 2012, which provides that 10,600,000 of the issued and outstanding Common Shares are to be reserved for issuance on the exercise of options granted pursuant to the Option Plan to directors, officers, employees and consultants of the Corporation.
- (2) As of December 31, 2015, the options exercised under this Option Plan amounted to 1,587,500.

AUDIT COMMITTEE

The function of the audit committee of the Corporation (the "**Audit Committee**") is to review the overall audit plan and the Corporation's system of internal controls, to review the results of the external audit and to resolve any potential dispute with the Corporation's auditors.

1. The Audit Committee's Charter

Attached as Schedule "A".

2. Relevant Education and Experience

See table below under "Compensation of Audit Committee".

3. Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

4. Composition of the Audit Committee

The Audit Committee is currently composed of Dell Chapman (Chairman), Rod Graham and Sherry Austin. All members are considered independent and have the ability to read, analyze and understand the complexities surrounding the preparation of financial statements pertinent to the Corporation. All members have been involved in the financing, administration and operation of managing private and/or public companies and have been, either directly or indirectly, involved in the preparation of financial statements, dealing with auditors or as a member of an audit committee.

5. Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

6. Pre-Approved Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, all as more particularly described in the Audit Committee's Charter under the heading "External Auditors".

7. External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are approximately as follows:

Financial Year Ending	Audit Fees	Audit Related Fees ⁽¹⁾	Tax Fees ⁽²⁾	All Other Fees ⁽³⁾
2015	\$60,000	\$37,500	\$5,775	\$7,450
2014	\$60,000	\$37,500	\$13,313	\$8,359

Note:

- (1) This amount relates to fees for quarterly reviews.
- (2) This amount relates to fees for the preparation of the Corporation's Scientific Research & Experimental Development ("SR&ED") tax credit application, tax advice and income tax return preparation.
- (3) This amount relates to fees for accounting advice and administrative costs billed by the auditor of the Corporation.

8. Exemption

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

The Corporation is committed to implementing and maintaining effective and best practices in corporate governance. The Corporation's approach to significant corporate governance issues has been, and continues to be, designed with a view to ensuring that the business of the Corporation is effectively managed to enhance shareholder value. The Corporation has implemented certain structures and procedures to ensure that effective corporate governance practices are followed and the Board functions independently of management. The Corporate Governance Committee provides a focus on corporate governance to ensure, on behalf of all stakeholders, that the Corporation has an effective corporate governance regime in place.

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices in accordance with Form 58-101F2 - *Corporate Governance Disclosure*.

1. **Board of Directors** – Of the six individuals being nominated as directors at the Meeting, five are deemed to be independent according to the definition of "independence" set out in section 1.4 of NI 52-110, including Sherry Austin, Dell Chapman, Marvin Clifton, Rod Graham, and Ken Zinger. Eric Laing, President and Chief Executive Officer of the Corporation, is not considered independent by virtue of his executive position.

The Board facilitates its exercise of independent supervision over management by having at least half of the Board members consist of individuals who are independent of the Corporation.

2. **Directorships** - Certain of the Corporation's directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Mr. Graham serves as a director of Stuart Olsen Inc, a TSX-listed company.

3. **Orientation and Continuing Education** - The Board ensures that all new directors receive a comprehensive orientation regarding both the business of the Corporation, the duties of a director and continuing education. The information is normally provided to directors in an informal meeting with senior management present. All directors are also provided with a Corporate Governance binder detailing Board and corporate governance guidelines and Board and committee mandates. Directors are also invited to meet with the Corporation's legal counsel in order to better understand what their legal responsibilities are.

4. **Ethical Business Conduct** - The Corporation has a formal written Code of Business Conduct and Ethics Policy covering ethical business conduct that applies to all Board members, executive officers, management, employees and consultants of the Corporation.

Each Board member is responsible to ensure his or her conduct is consistent with the letter and spirit of this Code. The Corporate Governance Committee, on behalf of the Board of Directors, is responsible for setting the standards in the Code and updating these standards as deemed appropriate to reflect changes in the legal and regulatory environment, the business practices of the Corporation and the environment within which it operates. The Board has also established a Whistleblower Policy, which establishes the complaint procedures for concerns about any aspect of the Corporation's activities and operations. These policies assist in maintaining the ethical business conduct of the officers and directors.

5. **Nomination of Directors** – The Board and Corporate Governance Committee periodically consider if and when new individuals are proposed for election or appointment to the Board, having regard to the competencies, skills and personal qualities of the candidates and existing members of the Board.
6. **Compensation** - The Compensation Committee is responsible for determining and approving compensation for directors and officers. The Compensation Committee reviews the performance and recommends the remuneration of the senior officers as well as the overall remuneration and personnel policies developed by management. The Board reviews and approves the compensation of directors annually, or sooner, if deemed appropriate. Additional information pertaining to compensation including the committee members can be found under the heading “*Compensation of Directors & Executive Officers*”.
7. **Other Board Committees** – In addition to the Compensation Committee and the Audit Committee described above, the Board has implemented a Corporate Governance Committee and a Health, Safety and Environment Committee.

Corporate Governance Committee:

The current and anticipated members of the Corporate Governance Committee are Sherry Austin, Rod Graham, Marvin Clifton and Ken Zinger.

The overall purpose of the Corporate Governance Committee is to guide the Corporation in its approach to and implementation and maintenance of corporate governance practices. In that regard, it recommends to the Board the composition of the Board and its committees, assists the Board in developing the Board Mandate, assists the Board with respect to the orientation of new directors and continuing education of existing directors, oversees the performance of the Board and its committees, monitors developments in corporate governance and ensures the Corporation's compliance with the Code of Business Conduct and Ethics and governance policies.

Health, Safety and Environment Committee:

The current and anticipated members of the Health, Safety and Environment Committee are Marvin Clifton and Ken Zinger.

The overall purpose of the Health, Safety and Environment Committee is to assist the Board in fulfilling its responsibilities in relation to health, safety and environmental matters, including ensuring that employees are provided with a safe environment in which to perform their duties and monitoring and overseeing the Corporation's policies and procedures for ensuring compliance by the Corporation with environmental regulatory requirements.

8. **Assessments** - The Corporate Governance Committee assists the Board with respect to assessments of the effectiveness and contribution of the members of the Board and its committees, which includes reviewing both the Board and its committees' decision-making processes and the quality of information provided by management.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate of any “informed person”, in any transaction since the commencement of the Corporation’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

For the purposes of the above, “informed person” means: (a) a director or executive officer of the Corporation; (b) a director, executive officer or trustee of a person or company that is itself an informed person; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who:

- (a) has acted as a director or executive officer of the Corporation or a subsidiary of the Corporation since the beginning of the Corporation’s most recently completed financial year;
- (b) is a proposed nominee for election as a director of the Corporation; or
- (c) is an associate or affiliate of any of the persons listed directly above in (i) and (ii),

in any matter to be acted upon at the Meeting other than the election of directors or the appointment of the auditor.

MANAGEMENT CONTRACTS

No management functions of the Corporation are, to any substantial degree, performed by a person or company other than the directors or executive officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Financial information available on SEDAR is provided in the Corporation’s Annual Financial Statements and Management’s Discussion and Analysis for the year ended December 31, 2015.

A Shareholder may contact the Corporation at 2620, 58th Avenue S.E. Calgary, Alberta, T2C 1G5, Attention: Susan Scullion, Chief Financial Officer, to obtain a copy of the Corporation’s most recent Financial Statements and Management’s Discussion and Analysis.

SCHEDULE A
AUDIT COMMITTEE CHARTER

Role of Audit Committee

The role of the Audit Committee is to assist the Board of Directors (the “Board”) of RAISE PRODUCTION INC (the “Corporation”) in its oversight of the integrity of the financial and related information of the Corporation including its financial statements, the internal controls and procedures for financial reporting and the processes for monitoring compliance with legal and regulatory requirements and to review the independence, qualifications and performance of the external auditor of the Corporation. Management is responsible for establishing and maintaining those controls, procedures and processes and the Audit Committee is appointed by the Board to review and monitor them.

Administrative Matters

The following general provisions shall have application to the Audit Committee:

- (a) Appointment of Committee Members and Chairman
 - (i) The Board shall, annually at their first meeting following each annual general meeting of shareholders of the Corporation, determine the number of members to serve on the Audit Committee, subject to the minimum size requirements contained herein, and shall elect the members of the Audit Committee from among their number to hold office until the close of the next annual general meeting.
 - (ii) Any member of the Audit Committee may be removed or replaced at any time by resolution of the Board of the Corporation. A member of the Audit Committee shall automatically cease to be a member of the Audit Committee upon ceasing to be a director of the Corporation.
 - (iii) Unless otherwise designated by the Board, the members of the Audit Committee shall elect a Chairman from among their number and the Chairman shall preside at all meetings of the Audit Committee and shall have a second and deciding vote in the event of a tie. In the absence of the Chairman, the Audit Committee shall appoint one of their members to act as Chairman.
- (b) Composition and Qualifications of Audit Committee
 - (i) Size: The Audit Committee will consist of a minimum of three Directors.
 - (ii) Qualifications: Except as may be permitted by applicable securities laws, all members of the Audit Committee must be “independent” and “financially literate” within the meaning of Multilateral Instrument 52110 – Audit Committees and possess:
 - (A) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
 - (B) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
 - (C) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can be reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
 - (D) an understanding of disclosure controls and internal controls and procedures for financial reporting.
- (c) Meetings of the Committee and Attendees of Meetings
 - (i) Number of Meetings: The Committee will meet at least four times a year to coincide with each three month ended financial period and each fiscal year end and may hold a portion of each meeting without the presence of management.
 - (ii) Time and Place: The time at which and the place where the meetings of the Audit Committee shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Audit Committee having regard to the bylaws of the Corporation.
 - (iii) Quorum: A quorum of the Audit Committee shall be the attendance of two (2) members thereof.
 - (iv) Notice: Notice of every meeting of the Audit Committee shall be given to all members, the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”), and to the external auditor of the Corporation.
 - (v) Minutes: Minutes shall be kept of all meetings of the Audit Committee.

- (vi) **Participation:** A member or members of the Audit Committee may participate in a meeting of the Audit Committee by means of such telephonic, electronic or other communication facilities, as permits all persons participating in the meeting to communicate adequately with each other. A member participating in such a meeting by any such means is deemed to be present at the meeting.
 - (vii) **Written Resolution:** A written resolution signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee.
 - (viii) **Request of External Auditor:** Upon the request of the external auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matters which the external auditor believes should be brought to the attention of the Board or the shareholders of the Corporation.
 - (ix) **Auditor Attendance:** The external auditor of the Corporation shall be requested to appear before the Audit Committee at all meetings where financial results are reviewed and at other times when deemed necessary by the Audit Committee.
 - (x) **Management Representatives Attendance:** The CEO and the CFO shall be invited to attend all Audit Committee meetings, except private committee sessions and private sessions with the external auditors.
 - (xi) **Invitees of Committee:** The Audit Committee may invite such other officers, directors and employees of the Corporation or its affiliates as it may see fit from time to time to attend at meetings of the Audit Committee and to assist thereat in the discussion of matters being considered by the Audit Committee.
 - (xii) **Independent Meetings:** Notwithstanding that other parties may attend meetings of the Audit Committee, the Audit Committee: (i) shall meet with the external auditor independent of management; and (ii) may meet separately with management.
 - (xiii) **Voting:** Each resolution or decision shall be determined by a majority of the votes cast.
 - (xiv) **Communication:** The Audit Committee shall provide a summary of all meetings to the Board together with the minutes, or an oral report if the minutes are not prepared.
- (d) **Authority of the Committee**
- (i) **Access:** The members of the Audit Committee shall, for the purpose of performing their duties, have the right of inspecting all the books and records of the Corporation and its affiliates and of discussing such books and records in any manner relating to the financial position of the Corporation with the officers, employees and external auditor of the Corporation and its affiliates.
 - (ii) **Independent Counsel:** The Audit Committee shall have the authority to engage independent counsel or other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

Mandate and Responsibilities

In carrying out its role, the Audit Committee has the following mandate and responsibilities:

- (a) **Financial Information and Reporting:**
 - (i) prior to public release, to review and discuss with management (including, but not limited to, the CEO and CFO) and the external auditor, as appropriate:
 - (A) the annual audited financial statements and the interim financial statements including the accompanying management's discussion and analysis, and to understand the basis for management's conclusions;
 - (B) the disclosures required in the Corporation's annual and interim management's discussion and analysis regarding internal control over financial reporting and disclosure controls and procedures; and
 - (C) any annual and interim earnings releases and other press releases containing guidance or information taken from the Corporation's financial statements;
 - (ii) to review the Corporation's financial reporting and accounting standards and principles and any proposed material changes to them or their application; and
 - (iii) prior to public release, to review and if appropriate, recommend to the Board for approval, all public disclosure documents containing audited or unaudited financial information, any prospectuses, information circulars, annual reports, annual information forms and management's discussion and analysis;

- (b) Internal Control:
 - (i) to require management to implement and maintain appropriate systems of internal control, including internal controls over financial reporting and for the prevention and detection of fraud and error;
 - (ii) to review the systems of internal control and meet with the CEO and CFO to assess the adequacy and effectiveness of these systems and to obtain on a regular basis reasonable assurance that the Corporation is in control; and
 - (iii) to receive reports from the CEO and CFO as to the existence of any significant deficiency or material weakness in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting;
- (c) Disclosure Controls and Procedures:
 - (i) to require management to implement and maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation, including controls and procedures designed to ensure the information is accumulated and communicated to management, including the CEO and CFO, to allow timely decisions regarding required disclosure;
 - (ii) to review the disclosure controls and procedures with the CEO and CFO to assess the adequacy and effectiveness of these controls and procedures; and
 - (iii) to receive reports from the Corporation's Disclosure Committee;
- (d) External Audit
 - (i) to recommend to the Board, for shareholder approval, the appointment of the external auditor for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation;
 - (ii) to review, at least annually, the qualifications of external auditor;
 - (iii) to recommend to the Board the compensation of the external auditor;
 - (iv) to evaluate and oversee the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor;
 - (v) to enquire into and determine the appropriate resolution of any conflict of interest in respect of the external auditor;
 - (vi) to oversee the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (vii) to obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality control procedures, any material issues raised by the auditor's internal quality control reviews and the steps taken to resolve those issues; and
 - (viii) to monitor and review, at least annually, the relationship between the Corporation and the external auditor in order to establish the independence of the external auditor. If there is to be a change of external auditors, the Audit Committee shall review all issues and provide documentation related to the change, including the information to be included in the Notice of Change of Auditors and documentation required pursuant to National Instrument 51102 (or any successor legislation) of the Canadian Securities Administrators and the planned steps for an orderly transition period;
- (e) Risk Management: to review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks, including:
 - (i) review of the Corporation's investment policy; and
 - (ii) review of the amount and terms of Corporate insurance policies to be obtained or maintained, except Directors & Officers ("D&O") insurance, with respect to risks inherent in its operations; and
- (f) Compliance
 - (i) to review the Corporation's financial reporting procedures and policies to ensure compliance with all related legal and regulatory requirements and to investigate any non-adherence to those procedures and policies;

- (ii) to review and understand the basis upon which the Corporation's CEO and CFO made their conclusions, included in the annual and interim management's discussion and analysis, regarding the Corporation's disclosure controls and procedures and internal controls over financial reporting, including any material weaknesses;
- (iii) to receive a report from the Corporation's CEO and CFO and as to the existence of any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal control over financial reporting; and
- (iv) to establish procedures for the receipt, retention and treatment of any complaint regarding accounting, internal accounting controls or auditing matters including procedures for the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.

Specific Procedures

- (a) **Review of Audited Financial Statements:** The Audit Committee will review the Corporation's annual audited financial statements with the CEO and the CFO and then the full Board.
- (b) **Review of Interim Unaudited Financial Statements:** The Audit Committee will review the interim financial statements with the CEO and the CFO and may then review them with the full Board.
- (c) **Review of Releases and Presentations:** The Audit Committee will review any news release containing financial information, including information taken from the Corporation's financial statements, prior to the release of the financial statements to the public. In addition, the CFO may review with the Audit Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.
- (d) **Approval of Audit and Non-Audit Services:** In addition to recommending the external auditor to examine the Corporation's financial statements, the Committee must approve any use of that external auditor to provide non-audit services prior to its engagement. It is the Audit Committee's practice to restrict the non-audit services that may be provided by the external auditor in order to minimize relationships that could appear to impair the objectivity of the external auditor.
- (e) **Review and Approval of Hiring Policies:** The Audit Committee must review and approve the Corporation's hiring policies regarding the hiring of any partner, employee, and former partners and employees of the Corporation's existing and former external auditor. The Audit Committee should also consider the independence standards of the Canadian Institute of Chartered Accountants.
- (f) **Process for Handling Complaints about Accounting Matters:** The Audit Committee has established the following procedures for the receipt, retention and treatment of any complaint received by the Corporation regarding accounting, internal accounting controls or auditing matters:
 - (i) The Chief Financial Officer will send out a company-wide communication at least annually informing all RAISE employees of special mail and email addresses and telephone numbers for receiving complaints regarding accounting, internal accounting controls or auditing matters (Whistleblower Policy). This communication will specifically indicate that all communications to the Audit Committee will be kept confidential and no retaliation or adverse actions will be taken toward the employee for raising or helping to resolve a complaint with the Audit Committee.
 - (ii) Copies of complaints received will be sent to the Chair of the Committee and will be logged and retained by the Chair for a reasonable period of time.
 - (iii) All complaints will be investigated by the Corporation's finance staff, except as otherwise directed by Chair of the Committee. The Chair of the Committee may request that outside advisors be retained to investigate any complaint.
 - (iv) The status of each complaint will be reported by the Chair of the Committee on a quarterly basis to the full Audit Committee and, if the full Audit Committee so directs, to the full Board.
 - (v) Any director, officer or employee of the Corporation is prohibited from retaliating or taking any adverse action against anyone for raising or helping to resolve a complaint.
- (g) **Evaluation:** The Audit Committee will present to the Board an annual evaluation on the adequacy of this charter and recommend any proposed changes to the Board for approval.
- (h) **Report to Board:** The Audit Committee shall report to the Board on such matters and questions relating to the financial position of the Corporation or any of its affiliates as the Board may from time to time refer to the Audit Committee.