

POLICY AND PROCEDURE REGARDING PRE-APPROVAL OF EXTERNAL AUDIT AND NON-AUDIT RELATED SERVICES (the “Policy”)

(Revised Corporate Policy approved by the Audit Committee on August 8, 2018)

1. OBJECTIVE AND DESCRIPTION OF SERVICES

1.1 OBJECTIVE

The Audit Committee (the “**Committee**”) of Valener Inc. (“**Valener**”) acknowledges that it is directly responsible for overseeing the work of the external auditors (the “**External Auditors**”).

The Committee also acknowledges that the External Auditors are ultimately responsible to the shareholders of Valener.

Therefore, given the importance of reassuring, if need be, investors about the independence of the External Auditors in terms of its external audit services, it is necessary to restrict the other services that the management of Énergir Inc., acting as General Partner of Énergir, L.P. (the “**Manager**”), which provides services to Valener in accordance with the Administration and Management Support Agreements entered into by the Manager and Valener, may obtain from the External Auditors, either by requiring pre-approval of the Committee for some services or by prohibiting others.

1.2 SCOPE

This Policy shall apply to Valener, its Manager and their subsidiaries that have the same External Auditors as Valener, with the necessary adaptations.

The term “subsidiary” has the same meaning as the one given to it under *Regulation 52-110 respecting Audit Committees* (“**Regulation 52-110**”).

1.3 SERVICES REQUIRING PRE-APPROVAL AND UNAUTHORIZED SERVICES

This Policy covers three types of services: (i) external audit or external audit-related services, (ii) external non-audit services that are allowed and (iii) external non-audit services that are not allowed.

1.3.1 External audit services

The annual audit, review and attestation engagement terms and fees are subject to the specific pre-approval of the Committee, as per the

procedure contained in section 2 of the Policy. The Committee's approval is required for any changes in terms, conditions and fees resulting from changes in the audit annual plan and to the review and annual attestation services that would flow from changes to the scope of audit, structure of Valener or any other matter.

1.3.2 External audit-related services

External audit-related services are attestation and related services that are reasonably related to the performance of the annual audit and the interim review of Valener's consolidated financial statements and that are traditionally performed by the External Auditors in connection therewith. These services include, but are not limited to:

- review of the MD&As, of the Annual Information Form, of the proxy circular, etc;
- research and opinions on accounting treatment;
- due diligence review, review of prospectuses and offering notices;
- regulatory and non-regulatory (e.g. corporate policies) audits;
- consulting services with respect to regulatory compliance;
- consulting services with respect to accounting treatment related to mergers and acquisitions, or coming divestitures;
- consulting services with respect to financial information presentation or information to be submitted that are not classified as "audit services"; and
- special audit of controls.

The Committee believes that the provision of the external audit-related services does not impair the independence of the External Auditors. However, in accordance with Securities Regulation, external audit-related services must be pre-approved by the Committee, as per the procedure contained in section 2 of the Policy.

1.3.3 External non-audit services that are allowed

These are services often required by enterprises from their external auditors because of their knowledge of the enterprise acquired from the provision of external audit or external audit-related services. These services include, but are not limited to:

- Tax services, such as tax compliance, tax planning and tax advice;
- Planning and tax advice, including tax audits, tax advice on acquisitions, mergers and divestitures, as well as on restructuring.
- Tax compliance;
- Assistance with provincial and federal income tax audit and with appeals before the local and international authorities.
- Advice on costs related to transfer-pricing policies and on cost segregation;
- Requests for interpretation and assistance in complying with proposed statutory, regulatory or administrative changes;

- Consulting services related to the treasury;
- Representation before agencies; and
- Services related to financing.

The Committee may pre-approve the external non-audit services that are allowed, as per the procedure contained in section 2 of the Policy, if it believes they would not impair the independence of the External Auditors.

1.3.4 External non-audit services that are not allowed

These are services that a number of firms can provide and for which the fact of being the external auditors does not add value and, in certain circumstances, may result in a conflict of interest, for example:

- bookkeeping services;
- design and implementation of information systems;
- valuation services, fairness opinions or reports on contributions in kind;
- actuarial services;
- internal audit outsourcing services;
- management functions (e.g. acting, either temporarily or permanently, as a director, officer or employer, or performing any decision-making, supervisory or monitoring services);
- human resources services;
- brokerage, investment consulting or investment banking services;
- legal services; and
- specialised services non related to external audit services (expert witness and other).

These external non-audit services that are not allowed shall not be obtained from or provided by the External Auditors.

2. PROCEDURE

2.1 PRE-APPROVAL PROCEDURE FOR EXTERNAL AUDIT SERVICES, EXTERNAL AUDIT-RELATED SERVICES AND EXTERNAL NON-AUDIT SERVICES THAT ARE ALLOWED

2.1.1 Annual approval

Before the end of each fiscal year, the Committee determines, at its discretion, whether the provision of these services does not impair the independence of the External Auditors and if so, approves:

- (i) the external audit services that the Manager intends to request from the External Auditors during the next fiscal year as well as the maximum fee for the services included in the external audit services

and the terms and conditions of the engagement letter regarding the audit that must be signed by Valener and the External Auditors; and

- (ii) the external audit services and the external non-audit services that are allowed that the Manager want or would want to request from the External Auditors over the next fiscal year, as well as the maximum fee for each service.

2.1.2 Approval of other services

In cases other than those described in section 2.1.1, or for which the fees for providing the pre-approved services are exceeding the limit approved in relation thereto, the Manager must obtain the express pre-approval of the Committee at one of its meetings, or, if the delay does not allow it, of the Chair of the Committee. The Chair must report such pre-approval to the Committee at its first regular meeting following it.

2.2 DE MINIMIS WAIVER OF PRE-APPROVAL FOR EXTERNAL NON-AUDIT SERVICES THAT ARE ALLOWED

2.2.1 The Committee recognizes that Securities Regulation allows for a waiver of pre-approval for external non-audit services, as provided for in section 2.1, and, consequently, the Manager may hire the External Auditors for external non-audit services that are allowed, to the extent the three following conditions are satisfied:

- a) if the Manager, as well as management of a subsidiary of Valener, did not recognize the services as external non-audit services at the time of the engagement; and
- b) if these services are promptly brought to the attention of the Committee and approved prior to the completion of the audit, or, if the delay does not allow it, to the Chair of the Committee. The Chair must report it to the Committee at its first regular meeting after the approval; and
- c) if the aggregate amount of the external non-audit services that are allowed and approved in virtue of the present waiver does constitute more than 5 percent of the total amount of fees paid by Valener to the External Auditors during the fiscal year in which the services are provided.

2.2.2 Where the *de minimis* waiver was used, the Manager must disclose it to the Committee and publicly disclose, to the extent required by the applicable securities laws, notably Regulation 52-110, the percentage of the total fees paid to the External Auditors by Valener and its subsidiaries.

3. REPORT

Each quarter, the External Auditors will provide to the Committee a report on the external audit services, external audit-related services and external non-

audit services that are allowed that it provided as a result of the authorization granted by the Committee or under the *de minimis* waiver, as well as the actual fees received in respect of such services.

The Committee will review the fees associated with these services and their scope, in order to assess the proportion allocated to these types of services and their potential adverse effect on the independence of the External Auditors.