



MEG ENERGY

Sustainable. Innovative. Responsible.



MANAGEMENT INFORMATION CIRCULAR

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS - JUNE 16, 2021



THE 2021 ANNUAL MEETING OF SHAREHOLDERS

JUNE
16
2021

3PM
MDT

VIRTUAL AGM

TO REGISTER AND JOIN GO TO:
[WEB.LUMIAGM.COM/473665446](https://web.lumiagm.com/473665446)

VOTING ITEMS

- ELECTION OF DIRECTORS
- APPOINTMENT OF AUDITORS
- SAY ON PAY

We encourage you to carefully review the enclosed information about MEG and our Annual Meeting of Shareholders.

YOUR VOTE MATTERS!



2021 ANNUAL MEETING OF SHAREHOLDERS

INVITATION TO SHAREHOLDERS	
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS	
MANAGEMENT INFORMATION CIRCULAR	
GLOSSARY OF TERMS	1
MEETING AND VOTING INFORMATION.....	1
BUSINESS OF THE ANNUAL MEETING.....	7
1. FINANCIAL STATEMENTS AND AUDITOR'S REPORT.....	7
2. ELECTION OF DIRECTORS.....	7
3. APPOINTMENT OF AUDITOR	8
4. SAY ON PAY	8
5. OTHER BUSINESS.....	9
INFORMATION ON DIRECTOR NOMINEES.....	10
DIRECTOR COMPENSATION	22
LETTER FROM OUR HUMAN CAPITAL AND COMPENSATION COMMITTEE	27
COMPENSATION DISCUSSION AND ANALYSIS	29
COMPENSATION OF NAMED EXECUTIVE OFFICERS	46
CORPORATE GOVERNANCE PRACTICES.....	60
APPENDIX A – BOARD OF DIRECTORS MANDATE	
APPENDIX B – SUMMARY OF DSU PLAN, OPTION PLAN AND RSU PLANS	
APPENDIX C – INDIVIDUAL DIRECTORS' CONTINUING EDUCATION ACTIVITIES 2020	

INVITATION TO SHAREHOLDERS

May 3, 2021

Dear fellow shareholders;

On behalf of our Board of Directors, we are pleased to provide you with our 2021 Management Information Circular and invite you to our annual meeting of shareholders on June 16, 2021 at 3:00 p.m. Mountain Daylight Time. The meeting will be held via live webcast at web.lumiagm.com/473665446.

In light of the province of Alberta's COVID-19 provincial guidelines, and to mitigate associated risks to our stakeholders and the public, we have determined that hosting this meeting virtually through an online platform will provide the safest option for our shareholders to vote their shares and to submit questions online. This format will allow for all shareholders to attend the meeting and preserve the right to participate, regardless of their location.

Your Vote Matters

The Management Information Circular provides important information about MEG Energy, the business of the meeting, the voting process, our corporate governance practices, our approach to executive compensation and our 2021 compensation decisions. Please take the time to read this document and if you cannot attend the meeting, use the proxy form or voting instructions provided to submit your vote prior to the meeting.

The Board's goal is to deliver long-term value to all of MEG's stakeholders. In particular, the Board pays specific attention to Strategy, Board Governance, Safety, Environment, Social and Governance ("ESG") Management, Succession Planning and Enterprise Risk Management, all of which are fundamental to value creation, financial and environmental sustainability, and future success.

Our COVID-19 Response Focused on Our People

In response to the new challenges that emerged in early 2020 as a result of the COVID-19 pandemic and the associated collapse in world oil demand and oil prices, the company implemented temporary operating procedures at Christina Lake and Calgary to minimize the spread of the virus, reduced capital expenditures and developed contingency plans to manage a range of production levels to maintain continuity of operations.

As an essential service, we responded quickly to the health and safety challenges associated with the COVID-19 pandemic to protect our employees and contractors, the communities where they live and work, and to maintain the safe and reliable operation of the Christina Lake facility. Our COVID-19 response task force continues to meet regularly to evaluate our response on how best to make accommodations to protect our workforce and surrounding communities.

What We Accomplished in Challenging Circumstances

Despite the challenges, we are proud of the accomplishments that the team at MEG has reached this past year. With a continued focus on preserving financial liquidity and strengthening its balance sheet, MEG successfully reduced debt by \$132 million in 2020, achieving significant cost savings for the business. Extending the maturities of long-term debt in 2020 and early 2021 provides a longer runway for future stability. In addition to the extensive efforts our teams demonstrated to respond to COVID-19, we were also successful in completing 2020 with no employee lost-time incidents.

Our management and the Board of Directors were compelled to make some difficult decisions to adapt to the challenging low-price environment. We took necessary actions to significantly reduce our General and Administrative ("G&A") expenses including temporary salary and long-term incentive reductions, and an organizational review which resulted in staffing reductions. These steps resulted in a \$19 million year-over-year reduction in our G&A.

Our MEG team delivered strong operational performance including the successful completion of a 75-day turnaround at our Christina Lake Facility. We advanced this work to the summer of 2020 and expanded the timeline and scope to minimize staffing levels and overall cash costs. This work, completed on time and under budget, reduced the need for a 2021 turnaround at the facility.

MEG also continued to advance its ESG strategies including the completion of a Materiality Assessment to prioritize key ESG areas of focus. These areas align our strategy to our established corporate commitments of supporting the Paris Agreement, the approval of our long-term ambition of reaching net-zero GHG emissions (scope 1 and scope 2) by 2050, and our commitment to human rights as reflected in the UN Universal Declaration of Human Rights.

Looking Forward

We continue to monitor the evolving COVID-19 situation to determine what additional measures might need to be taken to ensure the health and safety of our people and the safe and reliable operation of the Christina Lake facility.

The company is well-positioned to benefit from the strengthening oil price and tightening differential markets. Our focus in 2021 is to execute effectively and efficiently on the 2021 capital program with free cash flow being applied to debt reduction.

We will continue to advance our ESG efforts with specific areas of focus, including advancing our climate-related targets and technologies for 2030 and 2050, as well as Indigenous awareness training, and continued progress on inclusion and diversity matters under strengthened corporate policies.

MEG has a skilled and dedicated team of professionals who are focused not only on delivering results and value to all of our stakeholders, but doing it safely and in a financially and environmentally sustainable, innovative, and responsible manner. We will continue to make improvements and innovations with respect to how we create value while remaining committed to debt reduction.

On behalf of our Board of Directors and Management team, we would like to thank our employees, shareholders, and all other stakeholders for their continued support. We are confident that MEG is well-positioned for the future.

Sincerely,

(signed) *"Ian D. Bruce"*

IAN D. BRUCE
Chairman
MEG Energy Corp.

(signed) *"Derek W. Evans"*

DEREK W. EVANS
President & CEO
MEG Energy Corp.



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

WHEN

Wednesday, June 16, 2021
3:00 p.m. (Calgary time) (the “Meeting”)

WHERE

Virtual only meeting via live audio webcast online at
<https://web.lumiagm.com/473665446>

In light of the continuing COVID-19 pandemic and the current restrictions on large public gatherings, the Corporation believes that conducting a virtual only Meeting via live audio webcast is in the best interests of the Corporation’s stakeholders and is part of the Corporation’s commitment to protect the health and safety of the Corporation’s employees, shareholders and their communities. Shareholders of the Corporation (“Shareholders”) will have an equal opportunity to participate in the Meeting regardless of their geographic location.

BUSINESS OF THE MEETING

1. To receive and consider the audited financial statements of MEG Energy Corp. (the “Corporation”) for the year ended December 31, 2020 and the auditor’s report thereon;
2. To elect the directors of the Corporation for the ensuing year;
3. To appoint auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation to fix their remuneration;
4. To approve, in an advisory, non-binding capacity, a resolution to accept the Corporation’s approach to executive compensation; and
5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

YOUR VOTE IS IMPORTANT

You are entitled to receive notice of, and to vote at, the Meeting and at any adjournment(s) thereof, if you are a Shareholder of record at the close of business on April 30, 2021.

The accompanying management information circular (the “Circular”) includes important information about the Meeting and the voting process. Please read it carefully and remember to vote.

A paper copy of the financial information in respect of our most recently completed financial year was mailed to those registered and beneficial Shareholders who previously requested to receive such information. Our 2020 financial statements can also be accessed online at www.megenergy.com or on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Lyle Yuzdepski”

Lyle Yuzdepski

Senior Vice President, Legal & General Counsel and
Corporate Secretary
MEG Energy Corp. | May 3, 2021

HOW TO VOTE

Shareholders may attend the virtual Meeting or may be represented thereat by proxy in accordance with the instructions set forth in the accompanying Circular.

Registered Shareholders who are unable to attend the virtual Meeting are requested to complete, date and sign the enclosed instrument of proxy, in accordance with the instructions set forth in the Circular. An instrument of proxy will not be valid and acted upon at the Meeting or any adjournment thereof unless it is deposited at the offices of Computershare Trust Company of Canada by one of the following methods:



Mail: 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Attention: Proxy Department



Internet: go to www.investorvote.com and enter your 15-digit control number



Phone: Call 1-866-732-8683 (toll-free in North America) and enter your 15-digit control number

at least 48 hours, excluding Saturdays, Sundays and holidays in the Province of Alberta, before the time of the Meeting or any adjournment thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion without notice.

MANAGEMENT INFORMATION CIRCULAR

GLOSSARY OF TERMS

Audit Committee	Audit Committee of the Board
Board	Board of Directors of the Corporation
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Circular	this management information circular
COO	Chief Operating Officer
Corporation or MEG	MEG Energy Corp.
DSU	deferred share unit issued under the DSU Plan
DSU Plan	Deferred Share Unit Plan
executives	employees at the vice president level and above, and includes the NEOs
GNC	Governance and Nominating Committee of the Board
HCCC	Human Capital and Compensation Committee of the Board
HSERC	Health, Safety and Environment and Reserves Committee of the Board
LTI	long-term incentive compensation
Meeting	the 2021 annual meeting the Corporation's Shareholders
NEO	Named Executive Officer
Option	option to purchase a Share issued under the Option Plan
Option Plan	Stock Option Plan
PSU	performance share unit issued under the RSU Plans
Record Date	April 30, 2021
RSU	restricted share unit issued under the RSU Plans
RSU Plans	Restricted Share Unit Plan and Cash-Settled Restricted Unit Plan
Shares	common shares of the Corporation
Shareholders	holders of Shares
STI	short-term (annual) incentive compensation
TSX	the Toronto Stock Exchange

CURRENCY

Unless otherwise indicated, all references to currency in this Circular are in Canadian dollars.

MEETING AND VOTING INFORMATION

Virtual Only Meeting

In light of the continuing COVID-19 pandemic, the Corporation believes that conducting a virtual only Meeting via live audio webcast is in the best interests of the Corporation's stakeholders and is part of the Corporation's commitment to protect the health and safety of the Corporation's employees, Shareholders and their communities. The virtual Meeting will allow equal opportunity for Shareholders to participate, ask questions, and vote at the Meeting regardless of their geographic location.

Registered Shareholders and duly appointed proxyholders may participate via the live webcast of the Meeting through an online portal at <https://web.lumiagm.com/473665446>. Non-registered (or beneficial) Shareholders may also listen to a live webcast of the Meeting at <https://web.lumiagm.com/473665446> but will not have the ability to vote virtually or ask questions through the live webcast unless they are duly appointed and registered as proxyholders.

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting to be held on Wednesday, June 16, 2021 at 3:00 p.m. (Calgary time), or any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual Meeting.

Instruments of proxy must be received by Computershare Trust Company of Canada not less than 48 hours (excluding Saturdays, Sundays and holidays in the Province of Alberta) before the Meeting.

Registered Shareholders may submit their vote by:



Mail:

Computershare Trust Company of Canada
Attention: Proxy Department
8th Floor, 100 University Avenue
Toronto, Ontario M5J 2Y1



Internet:

Go to www.investorvote.com and enter the 15-digit control number printed on your Instrument of Proxy and follow the instructions on the web page to vote your Shares.



Phone:

Call 1-866-732-8683 (toll-free in North America) and enter the 15-digit control number printed on your Instrument of Proxy and follow the instructions on the interactive voice recognition system to vote your Shares.



In person via Online Meeting:

Registered Shareholders and beneficial Shareholders who have appointed themselves proxyholder (see “*Notice to Beneficial Holders of Shares*”) have the ability to participate, ask questions, and vote at the Meeting using the LUMI meeting platform. Eligible Shareholders may log in at <https://web.lumiagm.com/473665446>, click on “I have a Control Number”, enter the 15-digit control number found on your Instrument of Proxy and enter the password “meg2021” (case sensitive), then click on the “Login” button. During the Meeting, you must ensure that you are connected to the internet at all times in order to vote when polling is commenced on the resolutions put before the Meeting. It is your responsibility to ensure internet connectivity. Non-registered (beneficial) Shareholders may listen to a live webcast of the Meeting by going to the same URL as above and clicking on “I am a guest”.

Following the conclusion of the formal business to be conducted at the Meeting, the Corporation will invite questions and comments from Shareholders participating through the LUMI meeting platform.

Solicitation of proxies will be primarily by mail, but may also be by personal interview, telephone or other oral or written means of communication by the directors, officers and employees of the Corporation, at no additional compensation. The Corporation has retained Kingsdale Advisors (“Kingsdale”) as its strategic advisor and proxy solicitation agent. In connection with these services, the Corporation will pay fees to Kingsdale of approximately \$40,000 in addition to certain out-of-pocket expenses. The Corporation pays all costs related to producing and mailing this circular and other meeting materials, and for soliciting your proxy. Additionally, the Corporation may use the Broadridge QuickVote™ service to help non-registered Shareholders vote their Shares. Alternatively, Kingsdale Advisors may contact such non-registered Shareholders to assist them with conveniently voting their Shares directly over the phone.

If you have any questions with respect to the accompanying materials, the Meeting or how to vote your Shares, please contact Kingsdale at 1.888.694.4330 (toll-free North America) or 416.867.2272 (collect calls accepted) outside of North America. You may also email Kingsdale at contactus@kingsdaleadvisors.com.

Record Date

Only persons who are registered Shareholders at the close of business on April 30, 2021 (the "Record Date") are entitled to receive notice of and to vote at the Meeting, except that any person who acquires Shares after that date may vote such Shares at the Meeting if such person: (a) produces properly endorsed certificates evidencing such Shares or otherwise establishing that such person owns them; and (b) requests, at least ten (10) days before the Meeting, that his, her or its name be included on the list of Shareholders entitled to vote at the Meeting. Persons who are beneficial holders of Shares as of the Record Date will be entitled to vote at the Meeting in accordance with the procedures established pursuant to National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer*.

Voting by Proxy

The persons named in the accompanying Instrument of Proxy are directors and/or officers of the Corporation. **Each Shareholder has the right to appoint a person or company to represent the Shareholder at the Meeting (who need not also be a Shareholder) other than the person or persons designated in the Instrument of Proxy furnished by the Corporation.** To exercise this right, the Shareholder must either insert the name of the desired representative in the blank space provided in the accompanying Instrument of Proxy or submit an alternative form of proxy (either of which is a "Proxy"). Please ensure that the duly appointed proxyholder is aware that they have been appointed to attend the Meeting for your vote to count.

A Proxy will not be valid unless it is received by Computershare Trust Company of Canada not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time fixed for holding the Meeting or any adjournment thereof.

Signing of Instruments of Proxy

A Proxy must be in writing and must be executed by the Shareholder or the Shareholder's duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer of the corporate Shareholder. A Proxy signed by a person acting as attorney or in some other representative capacity should expressly reflect that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with Computershare Trust Company of Canada or the Corporation).

Revocation of Proxy

A registered Shareholder who has submitted a Proxy may revoke it by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and delivered to Computershare Trust Company of Canada, at 8th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1 or by fax to facsimile number 1-866-249-7775, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof. A Proxy may also be revoked: (a) by the registered Shareholder participating in the virtual Meeting and voting such Shareholder's Shares; or (b) in any other manner permitted by law. Beneficial Shareholders can change or revoke a vote by notifying their broker or intermediary in accordance with the instructions of such broker or intermediary.

Voting of Proxies and Exercise of Discretion by Proxyholders

All Shares represented at the Meeting by properly executed Proxies will be voted, or withheld from voting, on any ballot that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the Shares represented by the Proxy will be voted in accordance with such instructions. On any ballot that may be called for at the Meeting, the management designees named in the accompanying Instrument of Proxy will vote or withhold from voting the Shares in respect of which they are appointed proxy according to the directions of the Shareholder appointing them. If the Shareholder specifies a choice regarding any matter to be acted upon at the Meeting, his, her or its Shares will be voted accordingly.

In the absence of such direction, the Shares will be voted: (i) FOR the election of each director; (ii) FOR the appointment of PricewaterhouseCoopers LLP as auditor of the Corporation at such remuneration as the directors of the Corporation may determine; and (iii) FOR the Corporation's approach to executive compensation.

The accompanying Instrument of Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual Meeting and with respect to other matters which may properly be brought before the Meeting or any adjournment thereof unless otherwise indicated on such accompanying Instrument of Proxy.

Management of the Corporation knows of no amendments, variations or other matters to come before the Meeting, other than those matters referred to in the Notice of Annual Meeting.

Notice to Beneficial Holders of Shares

A Shareholder is a beneficial Shareholder if his or her Shares are held in the name of a nominee. That is, the Shareholder's share certificate was deposited with a bank, trust company, securities broker, trustee, or other institution. Only proxies deposited by registered Shareholders can be recognized and acted upon at the Meeting. Shares held by brokers or nominees can only be voted upon with the instructions of the beneficial Shareholder. Without specific instructions, the Canadian broker/nominees are prohibited from voting Shares for their clients. When a broker is unable to vote on a proposal because it is non-routine and the owner of the Shares does not provide voting instructions, a "broker non-vote" occurs. Broker non-votes have no effect on the vote on such a proposal because they are not considered present and entitled to vote. Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting Shares in person or by way of proxy except as outlined below.

A beneficial Shareholder's broker or nominee is required by law to receive voting instructions from beneficial Shareholders before voting Shares. Every broker has its own mailing procedures and instructions for returning the completed voting instruction form ("VIF"), accordingly, beneficial Shareholders must follow the instructions provided on the VIF. Most brokers delegate responsibility for obtaining instructions from their clients to Broadridge Investor Communications Corporation ("Broadridge"). Broadridge mails the proxy materials and VIF to beneficial Shareholders, at our expense. The VIF will name the same management designees of the Corporation described under *"Voting of Proxies and Exercise of Discretion by Proxyholders"* to act as proxyholders. Broadridge then tabulates the results of all the instructions received and provides the appropriate instructions respecting the Shares to be represented at the Meeting.

If a beneficial Shareholder wishes to participate online and vote at the Meeting, such beneficial Shareholder must appoint himself or herself as proxyholder by inserting his or her own name in the space provided on the VIF and follow all of the applicable instructions provided by their intermediary AND, for online participation, you must also register yourself as your proxyholder, as described below under *"Online Proxyholder Voting"*. By doing so, the beneficial Shareholder is instructing his or her intermediary to appoint himself or herself as proxyholder. Non-registered or beneficial Shareholders who have not appointed themselves as proxyholder (and registered as instructed below) cannot vote online during the Meeting. This is because the Corporation and its transfer agent, Computershare Trust Company of Canada, do not maintain the records for non-registered (beneficial) Shareholders and have no knowledge of a beneficial Shareholder's shareholdings or entitlement to vote, unless such Shareholder appoints himself or herself as proxyholder.

Notice to Beneficial Holders of Shares in the United States

If you are a beneficial Shareholder located in the United States and wish to vote at the Meeting or, if permitted, appoint a third-party as your proxyholder, then you must first obtain a valid legal proxy from your intermediary and then register in advance to attend the meeting by submitting a copy of your legal proxy to Computershare. Requests for registration from beneficial Shareholders located in the United States should be sent either by courier to: Computershare Trust Company of Canada, attention Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by email to uslegalproxy@computershare.com and, in both cases, must be labeled as "Legal Proxy" and be received no later than 3:00 p.m. (Calgary time) on June 14, 2021. You will receive a confirmation of your registration by email once Computershare receives your registration materials. Please note that you are required to register your appointment at www.computershare.com/MEG.

Online Proxyholder Voting

If a Shareholder appointed himself or herself or someone else to vote at the Meeting, other than the management proxy nominees identified in the Instrument of Proxy or VIF, then such Shareholder **MUST** also visit www.computershare.com/MEG no later than 3:00 p.m. (Calgary time) on June 14, 2021 and provide Computershare

with the required proxyholder contact information, so that Computershare may provide the proxyholder with a control number via e-mail. **Without a control number, a proxyholder will not be able to attend and vote online at the Meeting.**

Virtual Meeting Guidelines

Asking questions at the Meeting

The Corporation believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold this year's Meeting virtually. Registered Shareholders, non-registered Shareholders who have appointed themselves as proxyholders and proxyholders accessing the Meeting will have the opportunity to ask questions at the Meeting in writing by sending a message to the Chair of the Meeting online through the virtual Meeting platform. It is anticipated that Shareholders will have substantially the same opportunity to ask questions on matters of business before the Meeting as in past years when the annual shareholders meeting was held in person.

Questions received from Shareholders which relate to the business of the Meeting or to the affairs of the Corporation are expected to be addressed in the question-and-answer section that will follow the Meeting. Such questions will be read by the Chair of the Meeting or a designee of the Chair and responded to by a representative of the Corporation as they would be at a Shareholders meeting that was being held in person. As at an in-person meeting, to ensure fairness for all attendees, the Chair of the Meeting will decide on the amount of time allocated to each question and will have the right to limit or consolidate questions and to reject questions that do not relate to the business of the Meeting or to the affairs of the Corporation or which are determined to be inappropriate or otherwise out of order.

Technology required to access the virtual meeting

The Meeting will be entirely virtual and Shareholders and proxyholders will not be able to attend in person. If you are a registered Shareholder or a duly appointed proxyholder (including non-registered Shareholders who have duly appointed themselves as proxyholder), you will be able to attend, vote and ask questions at the Meeting, all in real time. If you are a non-registered Shareholder who does not appoint themselves as proxyholder then you may attend the Meeting as a guest, but you will not be able to vote or ask questions at the Meeting.

You will be able to participate in the Meeting using an Internet-connected device such as a laptop, computer, tablet or mobile phone. In order to run the Meeting platform, you will need the latest version of Chrome, Safari, Edge or Firefox, that are running the most updated version of the applicable software plugins and that meet the minimum system requirements. If you have any doubt, you can check your system's compatibility by visiting <https://www.lumiglobal.com/faq> for additional information.

If you are accessing the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. Please note that if you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Therefore, even if you currently plan to access the Meeting and vote during the live webcast, you should consider voting your Shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

Shareholders with questions regarding the virtual Meeting portal or requiring assistance accessing the Meeting website may contact LUMI support at support@lumiglobal.com, or visit the website <https://www.lumiglobal.com/faq> for additional information.

Notice and Access

The Corporation has elected to use the "notice and access" provisions under National Instrument 54-101 *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "Notice and Access Provisions") for the Meeting in respect of mailings to its beneficial Shareholders but not in respect of mailings to its registered Shareholders (i.e. a shareholder whose name appears on the Corporation's records). The Notice and Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of the materials that must be physically mailed to shareholders by allowing a reporting issuer to post its information circular in respect of a meeting of its shareholders and related materials online.

More specifically, the Corporation has elected to use procedures known as ‘stratification’ in relation to its use of the Notice and Access Provisions. As a result, registered Shareholders will receive a paper copy of the Notice of Annual Meeting, this Circular and an Instrument of Proxy, whereas beneficial Shareholders will receive a notice containing information prescribed by the Notice and Access Provisions (“Notice and Access Notification”) and a VIF. In addition, a paper copy of the Notice of Annual Meeting, this Circular and a VIF will be mailed to those beneficial Shareholders who do not hold their Shares in their own name but who have previously requested to receive paper copies of these materials. Furthermore, a paper copy of the financial information in respect of our most recently completed financial year was mailed to those registered and beneficial Shareholders who previously requested to receive such information.

The Corporation will be delivering a Notice and Access Notification and a VIF directly to non-objecting beneficial owners of its Shares with the assistance of Broadridge and intends to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of its Shares.

DATE OF INFORMATION

The information contained in this Circular is given as at May 3, 2021, except where otherwise noted.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Shares. As at April 30, 2021, 306,386,108 Shares were issued and outstanding. Shareholders of record on the Record Date are entitled to notice of, and to virtually attend, the Meeting, or be represented by proxy, and to one vote per Share on any ballot thereat.

To the knowledge of the Board and the Corporation’s executives, as at April 30, 2021, the following sets out the only persons, firms or corporations, owning of record or beneficially, controlling directly or indirectly, 10% or more of the Shares:

Name of Holder	Type of Ownership	Number of Shares	% of Outstanding Shares
Fidelity Investments ⁽¹⁾	Direct/Indirect	36,359,743	11.87

Note:

(1) According to a report filed on SEDAR under National Instrument 62-103 on March 10, 2021.

SHAREHOLDER PROPOSALS

The *Business Corporations Act* (Alberta) permits certain eligible Shareholders to submit shareholder proposals to the Corporation for inclusion in a management proxy circular for an annual meeting of shareholders. No shareholder proposals were submitted for consideration at the upcoming Meeting. The final date by which the Corporation must receive shareholder proposals for the annual meeting of shareholders to be held in 2022 is March 18, 2022.

ADVANCE NOTICE BY-LAW

The Corporation’s Consolidated General By-Law sets out the advance notice requirements for director nominations (the “Advance Notice By-Law”). The purpose of the Advance Notice By-Law is to provide Shareholders with guidance on the process for nominating directors. The Advance Notice By-Law fixes a deadline by which Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders at which directors are to be elected, sets forth the information that must be included in the notice, and details of the procedure to be followed. A copy of the Advance Notice By-Law is available on the Corporation’s website at www.megenergy.com.

Under the Advance Notice By-Law, the deadline for nominations for the Meeting is May 7, 2021. As of the date of this Circular, the Corporation has not received any director nominations.

BUSINESS OF THE ANNUAL MEETING

1. Financial Statements and Auditor's Report

The financial statements of the Corporation for the fiscal year ended December 31, 2020, together with the auditor's report thereon, will be presented at the Meeting. No formal action will be taken at the Meeting to approve the Corporation's financial statements. Any questions the Shareholders have regarding the financial statements may be brought forward at the Meeting. Copies of the Corporation's annual and interim financial statements are available on the Corporation's website at www.megenergy.com and under the Corporation's profile on SEDAR at www.sedar.com, or you may request a copy from our Investor Relations department at invest@megenergy.com.

2. Election of Directors

The Corporation's articles provide that there must be a minimum of three (3) and a maximum of fifteen (15) directors. There are currently ten (10) directors.

In accordance with the by-laws of the Corporation, the Board has determined that ten (10) directors will be elected at the Meeting. Shareholders will be asked at the Meeting to elect as directors each of the nominees listed below.

- | | |
|----------------------|-----------------------|
| 1. Ian D. Bruce | 6. William R. Klesse |
| 2. Derek W. Evans | 7. Susan M. MacKenzie |
| 3. Grant D. Billing | 8. Jeffrey J. McCaig |
| 4. Judy A. Fairburn | 9. James D. McFarland |
| 5. Robert B. Hodgins | 10. Diana J. McQueen |

All of the proposed nominees were elected as directors at the annual meeting of Shareholders of the Corporation held on June 17, 2020. Each of the directors elected will hold office from the date elected until the next annual meeting of Shareholders or until such director's successor is duly elected or appointed, unless such director's office is vacated prior to the next meeting.

The Board believes that each director should carry the confidence and support of the Shareholders. The Instrument of Proxy therefore enables a Shareholder to vote in favour of, or to withhold a vote for, each proposed nominee separately.

Unless directed otherwise, the management designees named in the accompanying Instrument of Proxy intend to vote "FOR" the election of each nominee named below under "Information on Director Nominees".

Majority Voting Policy

The Corporation has adopted a majority voting policy that requires any nominee for director to tender his or her offer of resignation in the event such nominee receives a greater number of "withheld" votes than "for" votes in an uncontested election in which the number of nominees for election is equal to the number of directors to be elected as set out in the management information circular for the particular meeting. Upon receipt of such an offer of resignation, the GNC will consider the offer of resignation and make a recommendation to the Board. In compliance with the requirements of the TSX, the GNC would be expected to recommend that the Board accept the offer of resignation, and the Board would be expected to accept such resignation, absent exceptional circumstances.

Shareholders should note that, as a result of the majority voting policy, a "withhold" vote is effectively the same as a vote against a director nominee in an uncontested election. See "*Corporate Governance Practices – Majority Voting Policy*".

3. Appointment of Auditor

The Board unanimously recommends that PricewaterhouseCoopers LLP, Chartered Professional Accountants, Calgary, Alberta, be appointed auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders. PricewaterhouseCoopers LLP was first appointed auditor of the Corporation on December 2, 2004. The following table provides the aggregate fees billed to the Corporation for professional services rendered by PricewaterhouseCoopers LLP in the years ended December 31, 2019 and 2020:

	2019 (\$)	2020 (\$)
Audit Fees	430,500	234,600
Audit Related Fees ⁽¹⁾	236,873	197,410
Tax Fees ⁽²⁾	120,902	59,621
All Other Fees ⁽³⁾	3,780	-
Total	792,055	491,631

Notes:

- (1) Fees for assurance and related services by PricewaterhouseCoopers LLP in connection with their review of the Corporation's financial statements and not otherwise reported under "Audit Fees".
- (2) Fees for tax compliance and tax advice.
- (3) Software license fees.

Unless directed otherwise, the management designees named in the accompanying Instrument of Proxy intend to vote "FOR" the appointment of PricewaterhouseCoopers LLP to serve as the auditor of the Corporation until the next annual meeting of Shareholders, at a remuneration to be determined by the directors of the Corporation.

4. Say on Pay

The Corporation's compensation policies and procedures are centered on a "pay for performance" philosophy and aligned with the long-term interests of Shareholders, as more particularly described throughout this Circular.

The Corporation's compensation programs are designed to:

- reward creation of long-term Shareholder value;
- reflect short, medium and long-term corporate performance;
- maintain an appropriate balance between base salary and short-term and long-term incentive opportunities;
- be competitive, so as to attract and retain talented individuals;
- strike an appropriate balance between risk and reward for both employees and Shareholders; and
- assure that perquisites are modest and support the Corporation's business objectives.

Management believes that the Corporation's compensation programs, with their balance of base salary, bonus amounts and long-term incentives comprised of RSUs, PSUs and Options, reward sustained performance that is aligned with long-term Shareholder interests.

The Board and management of the Corporation wish to provide Shareholders with a non-binding advisory vote ("Say on Pay") at the Meeting. This Say on Pay non-binding advisory vote on executive compensation will provide Shareholders with the opportunity to vote FOR or AGAINST the Corporation's approach to executive compensation through the following resolution:

"BE IT RESOLVED THAT, on an advisory basis and not to diminish the role and responsibilities of the Board, the shareholders accept the approach to executive compensation disclosed in the "Compensation Discussion and Analysis" section of the Management Information Circular of the Corporation dated May 3, 2021 and delivered in advance of the 2021 Annual Meeting of Shareholders."

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will consider the outcome of the vote as part of its ongoing review of executive compensation. The Board believes that it is essential for Shareholders to be well informed of the Corporation's approach to executive compensation and considers this advisory vote to be an important part of the ongoing process of engagement between Shareholders and the Board.

The Corporation will disclose the results of the Shareholder advisory vote as part of its report on voting results for the Meeting.

In the event that the advisory resolution is not approved by a majority of the votes cast at the meeting, the Board will consult with Shareholders (particularly those who are known to have voted against it) to understand their concerns and will review the Board's approach to executive compensation in the context of those concerns. Results from the Board's review, if necessary, will be discussed in the Corporation's management information circular for the annual meeting of Shareholders of the Corporation to be held in 2022.

In order for the foregoing resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders present in person or by proxy at the Meeting.

The Board recommends that you vote FOR the foregoing resolution. Unless directed otherwise, the management designees named in the accompanying Instrument of Proxy intend to vote "FOR" the ordinary resolution above.

At the annual meeting of Shareholders of the Corporation held on June 17, 2020, an advisory resolution was passed accepting the Corporation's approach to executive compensation. The voting results were as follows:

2020 Say on Pay	Votes FOR		Votes AGAINST	
	#	%	#	%
	184,411,822	92.68	14,572,806	7.32

5. Other Business

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters identified in the Notice of Annual Meeting. However, if any other matter properly comes before the Meeting or any adjournment thereof, the Shares subject to the Instrument of Proxy solicited hereunder will be voted on such matter in the discretion of and according to the best judgment of the proxyholder unless otherwise indicated on such Instrument of Proxy.

INFORMATION ON DIRECTOR NOMINEES

Background

Each nominee brings a mix of skills and experience to the Board. The combination of these skills is important for the Board to effectively oversee the Corporation's business and affairs and carry out its duties and responsibilities.

In 2020, the Board completed a two-year board renewal process which was initiated in 2019 after consulting with Shareholders holding greater than 56% of the outstanding Shares and which was intended to facilitate an appropriately-timed turnover of Board members while also ensuring that the necessary skillsets and backgrounds continued to be in place to steward the business of the Corporation going forward. This process resulted in five members leaving the Board since 2018 and five highly-qualified members joining the Board. The directors joining the Board since 2018 are Grant D. Billing, Ian D. Bruce, Judy A. Fairburn and Susan M. MacKenzie, as well as Derek W. Evans who became the Corporation's President and CEO in 2018. In addition, in 2020, the Board achieved compliance with its Diversity Policy which set forth a target that females and males each represent at least 30% of directors following the annual meeting of Shareholders in 2020.

In furtherance of the Corporation's intention to foster a culture of inclusion and to increase diversity within the organization, the Corporation adopted a new Inclusion and Diversity Policy in 2021 which provides, among other things, that the Board will maintain a composition in which at least 30% of directors are female and that the Board will aspire to attain by 2025, and to thereafter maintain, a Board composition in which at least 40% of the directors are diverse persons. See *"Corporate Governance Practices – Inclusion & Diversity"*.

Nominees

Director Nominee	Director Since	Independent	Age	Audit	GNC	HCCC	HSERC
Ian D. Bruce (Chair)	2019	Yes	68	Ex-Officio	Ex-Officio	Ex-Officio	Ex-Officio
Derek W. Evans	2018	No ⁽¹⁾	64				
Grant D. Billing	2019	Yes	69	✓	✓		
Judy A. Fairburn	2019	Yes	57		✓		✓
Robert B. Hodgins	2010	Yes	69	Chair	✓		
William R. Klesse	2016	Yes	74				Chair
Susan M. MacKenzie	2020	Yes	60			✓	✓
Jeffrey J. McCaig	2014	Yes	69			✓	✓
James D. McFarland	2010	Yes	74	✓		Chair	
Diana J. McQueen	2015	Yes	59		Chair	✓	

Note:

(1) As President and CEO of the Corporation, Mr. Evans is not independent and is the only member of the Board who is also a member of management.

Nominee Profiles

The following tables and the notes thereto set forth the name, age, city/province/state and country of residence, of each of the persons proposed to be nominated for election as a director; all positions and offices in the Corporation held by the nominee, if any; whether the nominee is independent or non-independent; the date the nominee was first elected or appointed as a director of the Corporation; the nominee's disciplinary expertise/training; the nominee's principal occupation at present and within the preceding five (5) years; the nominee's memberships on Board committees; the meeting attendance record of the nominee; the number of Shares, DSUs and/or RSUs of the Corporation that the nominee has advised are beneficially owned or controlled or directed, directly or indirectly, by the nominee as at April 30, 2021; in the case of a nominee who is a member of management, the number of Options and PSUs held by the nominee as at April 30, 2021; the value of securities held by the nominee as at April 30, 2021; whether the nominee meets the minimum share ownership guidelines; other public company board memberships held by the nominee, if any; and, the voting results of the nominee at the previous annual meeting, if applicable.

Age:	Ian D. Bruce
Municipality of Residence:	68
Positions/Offices held:	Calgary, Alberta, Canada
Director Since:	Chairman of the Board and Director (Independent)
Disciplinary Expertise/Training:	June 13, 2019 (appointed as Chairman of the Board on June 17, 2020)
	Financial/Accounting Business Executive

Ian D. Bruce is a corporate director. Mr. Bruce has served as Chair of the Board of Cameco Corporation since May 2018 and a director since 2012. He is the former president and CEO of Peters & Co. Limited (an independent investment dealer). He has more than 30 years of experience in investment banking with specialization in corporate finance and mergers and acquisitions, predominantly in the oil and gas industry. Mr. Bruce is a fellow of the Chartered Professional Accountants of Alberta, a recognized Specialist in Valuation under Canadian CPA rules, and a chartered business valuator. He is a past member of the Expert Panel on Securities Regulation for the Minister of Finance of Canada and is also a past board member and chair of the Investment Industry Association of Canada. Mr. Bruce currently serves as a volunteer board member of the Opportunity Calgary Investment Fund (OCIF). Prior to becoming Chair of the Board of Cameco Corporation in May 2018, Mr. Bruce was a member of its audit and finance committee and chair of its human resources and compensation committee.

Board and Committee Memberships ⁽¹⁾⁽²⁾	2020 Attendance ⁽¹⁾	2020 Attendance (Total) ⁽¹⁾
Board of Directors	7 of 7	
Audit Committee	2 of 2	100%
HCCC	5 of 5	

Securities Held as at April 30, 2021

Securities Held ⁽²⁾	Value of Securities Held ⁽³⁾	Total Value of Securities Held ⁽³⁾	Complies with Share Ownership Guidelines?
119,535 Shares	\$811,643		
58,667 DSUs	\$398,349	\$1,394,802	Yes
27,218 RSUs	\$184,810		

Voting Results of 2020 Annual Meeting	Votes FOR	Votes WITHHELD
	99.97%	0.03%

Other Public Company Boards

Cameco Corporation

Age:	Derek W. Evans		
Municipality of Residence:	64		
Positions/Offices held:	Calgary, Alberta, Canada		
Director Since:	President and Chief Executive Officer and Director (Non-Independent)		
Disciplinary Expertise/Training:	August 10, 2018		
	Engineering/Geology Business Executive		
<p>Mr. Evans has been President, Chief Executive Officer and a director of the Corporation since August 10, 2018 and is currently a director of Franco-Nevada Corporation, a TSX and New York Stock Exchange (“NYSE”) listed issuer. He served as President and CEO and a director of Pengrowth Energy Corporation (an oil and natural gas company) from September 2009 until March 15, 2018. From May to September 2009, Mr. Evans was President and Chief Operating Officer of Pengrowth Energy Trust. Mr. Evans served as President and CEO of Focus Energy Trust from May 2002 until March 2008. Mr. Evans has over 30 years of experience in a variety of operational and senior management positions in the oil and gas business in Western Canada. Mr. Evans holds a Bachelor of Science degree in Mining Engineering from Queen's University and is a registered Professional Engineer in Alberta. Mr. Evans is also a member of the Institute of Corporate Directors and holds the ICD.D designation.</p>			
Board and Committee Memberships	2020 Attendance⁽⁴⁾	2020 Attendance (Total) ⁽⁴⁾	
Board of Directors	7 of 7	100%	
Securities Held as at April 30, 2021			
Securities Held⁽²⁾	Value of Securities Held⁽³⁾	Total Value of Securities Held⁽³⁾	Complies with Share Ownership Guidelines?
497,256 Shares	\$3,376,368	\$20,214,293	Yes
329,671 DSUs	\$2,238,466		
734,358 RSUs	\$4,986,291		
1,365,727 PSUs	\$9,273,286		
153,100 Options	\$339,882		
Voting Results of 2020 Annual Meeting	Votes FOR	Votes WITHHELD	
	99.96%	0.04%	
Other Public Company Boards			
Franco-Nevada Corporation			

Age: Municipality of Residence: Positions/Offices held: Director Since: Disciplinary Expertise/Training:	Grant D. Billing 69 Calgary, Alberta, Canada Director (Independent) June 13, 2019 Financial/Accounting Business Executive
<p>Grant D. Billing is a corporate director. Mr. Billing is currently the Chairman of the Board of Tervita Corporation and a director of Tervita Corporation since December 2016. He served as the Chairman and CEO of Superior Plus Corp. (an energy distribution and specialty chemicals company) between July 2006 and November 2011 and Executive Chairman between 1998 and 2006. He was Chairman of the board of directors of Superior Plus Corp. until December 31, 2014. Mr. Billing is also currently a corporate director of Badger Daylighting Ltd. and was formerly the Chair of the board of directors at Cortex Business Solutions Inc. He served as a director of Pembina Pipeline Corporation from April 2, 2012 to May 5, 2017. In addition, Mr. Billing has served as Chairman and director of several public companies and as director and Chairman of the Canadian Association of Petroleum Producers. Mr. Billing holds a Bachelor of Science degree from the University of Calgary and is a Chartered Professional Accountant. Mr. Billing is also a member of the Institute of Corporate Directors.</p>	
Board and Committee Memberships Board of Directors Audit Committee GNC	2020 Attendance 7 of 7 4 of 4 5 of 5 2020 Attendance (Total) 100%
Securities Held as at April 30, 2021	
Securities Held⁽²⁾	Value of Securities Held⁽³⁾ Total Value of Securities Held⁽³⁾ Complies with Share Ownership Guidelines?
53,951 Shares 106,880 DSUs 3,951 RSUs	\$366,327 \$725,715 \$26,827 \$1,118,870 Yes
Voting Results of 2020 Annual Meeting	Votes FOR Votes WITHHELD
	99.97% 0.03%
Other Public Company Boards	
Badger Daylighting Ltd. Tervita Corporation	

Age: Municipality of Residence: Positions/Offices held: Director Since: Disciplinary Expertise/Training:	Judy A. Fairburn 57 Calgary, Alberta, Canada Director (Independent) June 13, 2019 Engineering/Geology Financial/Accounting Business Executive Political/Regulatory
<p>Ms. Fairburn serves as a director of Petronas Energy Canada Limited, Tundra Oil & Gas (a private oil & gas company), Veerum Inc. (a private digital tech company), and non-profit organizations (Business Council of Alberta and Calgary Economic Development). She serves on the Future Skills Council of the Canadian federal government. She is also co-founder and co-CEO of The51 Ventures Inc. (a private investment platform).</p>	
<p>Ms. Fairburn has over 30 years of experience in the energy sector (upstream through downstream) with diverse executive and senior leadership roles. From 2009 until 2017, she held various senior leadership positions with Cenovus Energy Inc. (a Canadian integrated oil and natural gas company), recently as Executive Vice President, Safety and Chief Digital Officer. She has also made a significant impact to the innovation eco-system in Canada. Ms. Fairburn led substantial change as the first Chair of the consolidated Alberta Innovates, an agency of the Alberta government that funds, advises and provides scale-up support to innovators across the health, energy, agriculture, forestry and digital sectors. She also co-founded COSIA (Canada's Oil Sands Innovation Alliance) and Evok Innovations – a unique cleantech / digital partnership and venture fund between entrepreneurs and industry.</p>	
<p>Ms. Fairburn holds a Master of Science degree in chemical engineering from the University of Calgary and a Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario. She is a Fellow of the Creative Destruction Lab and the Canadian Academy of Engineering. She was also honoured with the 2020 inaugural Calgary Influential Women in Business Lifetime Achievement Award and for Canadian sustainable development leadership as a 2013 Clean 16 award winner. Ms. Fairburn is a member of the Institute of Corporate Directors and holds the ICD.D designation.</p>	
Board and Committee Memberships⁽⁷⁾	
Board of Directors GNC HSERC	2020 Attendance⁽⁷⁾ 7 of 7 2 of 2 4 of 4 2020 Attendance (Total)⁽⁷⁾ 100%
Securities Held as at April 30, 2021	
Securities Held⁽²⁾	Value of Securities Held⁽³⁾
38,978 Shares 51,838 DSUs 27,218 RSUs	\$264,661 \$351,980 \$184,810
Voting Results of 2020 Annual Meeting	Total Value of Securities Held⁽³⁾
	Complies with Share Ownership Guidelines?
	\$801,451
	On Track
Votes FOR	Votes WITHHELD
99.82%	0.18%
Other Public Company Boards	
None	

<div>Age:</div> <div>Municipality of Residence:</div> <div>Positions/Offices held:</div> <div>Director Since:</div> <div>Disciplinary Expertise/Training:</div>	<div>Robert B. Hodgins</div> <div>69</div> <div>Calgary, Alberta, Canada</div> <div>Director (Independent), Chair of Audit Committee</div> <div>September 21, 2010</div> <div>Financial/Accounting Business Executive</div>
<div>Mr. Hodgins has over 25 years of experience in senior financial roles with several Canadian corporations. He was Chief Financial Officer of Pengrowth Energy Trust (predecessor to Pengrowth Energy Corporation) from 2002 until 2004, Vice President and Treasurer of Canadian Pacific Limited from 1998 until 2002 and Chief Financial Officer of TransCanada Pipelines Limited from 1993 until 1998 and has been Senior Advisor, Investment Banking of Canaccord Genuity Corp. (an independent investment bank) since September 2018. Mr. Hodgins has served as a director of various public and private entities since 2004 including, PrimeWest Energy Trust, Caracal Energy plc, Fairborne Energy Trust and Calpine Power Income Fund. Mr. Hodgins is currently a director and Chair of the audit committee of Enerplus Corporation, a director and Chair of the audit committee of AltaGas Ltd. and the Chair of the Board and a member of the audit committee of Gran Tierra Energy Inc. He holds an Honours Bachelor of Arts in Business from the Richard Ivey School of Business, is a Chartered Professional Accountant and is a member of the Institute of Corporate Directors and the National Association of Corporate Directors.</div>	
<div><div>Board and Committee Memberships</div><div><div>2020 Attendance</div><div>2020 Attendance (Total)</div></div></div>	
<div><div>Board of Directors</div><div>7 of 7</div><div>Audit Committee (Chair)</div><div>4 of 4</div><div>GNC</div><div>5 of 5</div><div>100%</div></div>	
<div>Securities Held as at April 30, 2021</div>	
<div>Securities Held⁽²⁾</div>	<div><div>Value of Securities Held⁽³⁾</div><div>Total Value of Securities Held⁽³⁾</div><div>Complies with Share Ownership Guidelines?</div></div>
<div>17,491 Shares</div> <div>80,006 DSUs</div> <div>37,203 RSUs</div>	<div><div>\$118,764</div><div>\$543,241</div><div>\$252,608</div><div>\$914,613</div><div>Yes</div></div>
<div><div>Voting Results of 2020 Annual Meeting</div><div>Votes FOR</div><div>Votes WITHHELD</div></div>	
<div><div>97.83%</div><div>2.17%</div></div>	
<div>Other Public Company Boards</div>	
<div>AltaGas Ltd.</div> <div>Enerplus Corporation</div> <div>Gran Tierra Energy Inc.</div>	

Age:	William R. Klesse
Municipality of Residence:	74
Positions/Offices held:	San Antonio, Texas, United States
Director Since:	Director (Independent), Chair of HSE & Reserves Committee
Disciplinary Expertise/Training:	June 28, 2016
	Engineering/Geology Business Executive Political/Regulatory

Mr. Klesse is the former CEO and former Chairman of the Board of Valero Energy Corporation ("Valero") (an international manufacturer and marketer of transportation fuels, other petrochemical products and power). He joined the Valero board as Vice Chairman in 2005 and served as Chairman of the Board from 2007 to December 2014. From 2006 to May 2014, he served as CEO of Valero and served as President from 2008 to 2013. From 2003 to 2005, Mr. Klesse was Valero's Executive Vice President and Chief Operating Officer. Prior to that, he served as Executive Vice President of Refining and Commercial Operations following Valero's 2001 acquisition of Ultramar Diamond Shamrock Corporation, where he had been Executive Vice President of the company's refining operations. Mr. Klesse began his 45-plus year career in the energy industry at Diamond Shamrock Corporation, which merged with Ultramar Corporation in 1996.

Mr. Klesse is currently a director of Occidental Petroleum Corporation. He serves on the Advisory Board of the San Antonio Food Bank and is a trustee of several organizations (Texas Biomedical Research Institute, United Way of San Antonio and Bexar County, University of Dayton, Christus Santa Rosa Children’s Hospital of San Antonio Foundation and the Briscoe Western Art Museum).

Mr. Klesse holds a bachelor's degree in Chemical Engineering from the University of Dayton and a Master of Business Administration with an emphasis in Finance from West Texas A&M University.

Board and Committee Memberships		2020 Attendance	2020 Attendance (Total)
Board of Directors		7 of 7	100%
HSERC (Chair)		4 of 4	

Securities Held as at April 30, 2021

Securities Held ⁽²⁾	Value of Securities Held ⁽³⁾	Total Value of Securities Held ⁽³⁾	Complies with Share Ownership Guidelines?
350,000 Shares	\$2,376,500		Yes
84,164 DSUs	\$571,474	\$3,132,784	
27,218 RSUs	\$184,810		

Voting Results of 2020 Annual Meeting	Votes FOR	Votes WITHHELD
	95.22%	4.78%

Other Public Company Boards

Occidental Petroleum Corporation

Age: Municipality of Residence: Positions/Offices held: Director Since: Disciplinary Expertise/Training:	Susan M. MacKenzie		
	60		
	Calgary, Alberta, Canada		
	Director (Independent)		
	June 17, 2020		
Engineering/Geology Business Executive			
<p>Ms. MacKenzie is a corporate director and an independent business consultant since 2010 with over 25 years of energy sector experience. Most recently she was Chief Operating Officer at Oilsands Quest Inc. from April to September 2010. Prior thereto, Ms. MacKenzie spent twelve years at Petro-Canada in progressive technical, operational and strategic roles, including Vice President Human Resources and Vice-President In Situ Oilsands Development and Operations. Her industry experience also includes 14 years with Amoco Canada in a variety of engineering and leadership roles in natural gas, conventional oil and heavy oil exploitation.</p> <p>Ms. MacKenzie holds a B. Eng. (Mechanical) from McGill University, an MBA from the University of Calgary, is a Life Member of the Association of Professional Engineers and Geoscientists of Alberta and an Institute of Corporate Directors - certified director.</p> <p>Ms. MacKenzie is currently a director of Enerplus Corporation, Precision Drilling Corporation and Freehold Royalties Ltd. She is a past director of TransGlobe Energy Corporation, FortisAlberta Inc. and the Calgary Women's Emergency Shelter and Safe Haven Foundation as well as numerous for-profit, not-for-profit, private and academic advisory boards.</p>			
Board and Committee Memberships ⁽⁵⁾⁽⁷⁾		2020 Attendance ⁽⁵⁾⁽⁷⁾	2020 Attendance (Total) ⁽⁵⁾⁽⁷⁾
Board of Directors		3 of 3	
HCCC		2 of 2	100%
HSERC		2 of 2	
Securities Held as at April 30, 2021			
Securities Held ⁽²⁾	Value of Securities Held ⁽³⁾	Total Value of Securities Held ⁽³⁾	Complies with Share Ownership Guidelines?
40,000 Shares	\$271,600	\$576,715	On Track
44,936 DSUs	\$305,115		
Voting Results of 2020 Annual Meeting		Votes FOR	Votes WITHHELD
		99.65%	0.35%
Other Public Company Boards			
Enerplus Corporation			
Freehold Royalties Ltd.			
Precision Drilling Corporation			

Age: Municipality of Residence: Positions/Offices Held: Director Since: Disciplinary Expertise/Training:	Jeffrey J. McCaig		
	69		
	Calgary, Alberta, Canada		
	Director (Independent)		
	March 1, 2014		
Legal Business Executive			
Mr. McCaig is the Chairman of the board of directors of Trimac Transportation of which he was CEO until December 31, 2015. Mr. McCaig was a director of Potash Corporation of Saskatchewan from January 2001 until May 2017 and has been a director of Bantrel Company (a private company) since 2000, becoming its Chairman in December 2007. Mr. McCaig is also a director and co-owner of the Calgary Flames Hockey Club. Mr. McCaig holds a degree in economics from Harvard University, a law degree from Osgoode Hall Law School, and a Master of Science in Management degree from Stanford University. He also is a member of the Institute of Corporate Directors.			
Board and Committee Memberships ⁽⁶⁾⁽⁷⁾		2020 Attendance ⁽⁶⁾⁽⁷⁾	2020 Attendance (Total) ⁽⁶⁾⁽⁷⁾
Board of Directors		7 of 7	
HCCC		2 of 2	100%
HSERC		2 of 2	
Securities Held as at April 30, 2021			
Securities Held ⁽²⁾	Value of Securities Held ⁽³⁾	Total Value of Securities Held ⁽³⁾	Complies with Share Ownership Guidelines?
662,319 Shares	\$4,497,146		
181,269 DSUs	\$1,230,817	\$5,978,045	Yes
36,831 RSUs	\$250,082		
Voting Results of 2020 Annual Meeting		Votes FOR	Votes WITHHELD
		99.46%	0.54%
Other Public Company Boards			
None			

Age:	74
Municipality of Residence:	Calgary, Alberta, Canada
Positions/Offices held:	Director (Independent), Chair of Human Capital and Compensation Committee
Director Since:	June 9, 2010
Disciplinary Expertise/Training:	Engineering/Geology Business Executive

Mr. McFarland has over 48 years of experience in the oil and gas industry. He is a co-founder of, and has been a director of, Valeura Energy Inc. (a Canada-based public company engaged in the exploration, development and production of petroleum and natural gas in Turkey) since April 2010 and served as President and CEO, until his retirement in December 2017 and a consultant thereafter to November 2020. Prior thereto, Mr. McFarland served as President and CEO, director and co-founder of Verenex Energy Inc. from 2004 until its sale in 2009. From 1999 until 2004, he served as Managing Director of Southern Pacific Petroleum N.L. in Australia. From 1995 until 1998, Mr. McFarland served as President and Chief Operating Officer of Husky Oil Limited. From 1972 until 1995, he held various leadership positions in his initial 23-year career with Imperial Oil Limited and other Exxon affiliates in Canada, the U.S. and Western Europe. Mr. McFarland has been a director of various public and private entities including Pengrowth Energy Corporation (until January 2020) and Arrow Exploration Corp. (until January 2020) and currently serves on the board of directors of the Canadian National Committee of the World Petroleum Council (WPC) and on the Congress Program Committee of the WPC international organization.

Mr. McFarland received a Bachelor of Science (Honours) (Chemical Engineering) from Queen's University at Kingston, a Master of Science (Petroleum Engineering) from the University of Alberta, completed the Executive Development Program at Cornell University, received the designation of Professional Engineer in 1974 and is a member of the Institute of Corporate Directors. In 2003, Mr. McFarland was awarded the Australian Centenary Medal for Outstanding Service through Business and Commerce.

Board and Committee Memberships	2020 Attendance	2020 Attendance (Total)
Board of Directors	7 of 7	
Audit Committee	4 of 4	100%
HCCC (Chair)	7 of 7	

Securities Held as at April 30, 2021			
Securities Held ⁽²⁾	Value of Securities Held ⁽³⁾	Total Value of Securities Held ⁽³⁾	Complies with Share Ownership Guidelines?
30,209 Shares	\$205,119	\$1,078,354	Yes
128,606 DSUs	\$873,235		

Voting Results of 2020 Annual Meeting	Votes FOR	Votes WITHHELD
	99.95%	0.05%

Other Public Company Boards
Valeura Energy Inc.

	Diana J. McQueen		
Age:	59		
Municipality of Residence:	Drayton Valley, Alberta, Canada		
Positions/Offices held:	Director (Independent), Chair of Governance and Nominating Committee		
Director Since:	October 6, 2015		
Disciplinary Expertise/Training:	Financial/Accounting Business Executive Political/Regulatory		
Ms. McQueen has energy and environmental public policy experience from regional, provincial and international levels, in addition to entrepreneurial experience in operating an independent business. Ms. McQueen held various Alberta provincial cabinet roles during 2008 to 2015, including Minister of Energy, Minister of Environment and Water, and Minister of Municipal Affairs. Ms. McQueen has her own consulting firm and is a Senior Policy & Strategic Advisor to her clients in the areas of Energy, Environment, Indigenous and Municipal relations and has recently been appointed as Senior Vice President of Corporate Communications & Stakeholder Relations at Reconnaissance Energy Africa Ltd. (TSX-V listed issuer).			
Board and Committee Memberships		2020 Attendance	2020 Attendance (Total)
Board of Directors		7 of 7	100%
HCCC		7 of 7	
GNC (Chair)		5 of 5	
Securities Held as at April 30, 2021			
Securities Held ⁽²⁾	Value of Securities Held ⁽³⁾	Total Value of Securities Held ⁽³⁾	Complies with Share Ownership Guidelines?
34,483 Shares	\$234,140	\$1,052,688	Yes
106,616 DSUs	\$723,923		
13,936 RSUs	\$94,625		
Voting Results of 2020 Annual Meeting		Votes FOR	Votes WITHHELD
		99.50%	0.50%
Other Public Company Boards			
None			

Notes:

- (1) Prior to his appointment as Chair of the Board, Mr. Bruce was a member of the Audit Committee and the Compensation Committee (now the HCCC) and attended 100% of the committee meetings held while a member. Following his appointment as Chair of the Board, Mr. Bruce began attending all committee meetings in an *ex-officio* capacity and attended 100% of the committee meetings held following his appointment as Chair of the Board.
- (2) The information as to the Shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.
- (3) Holdings of Shares, Options, DSUs, RSUs and PSUs are as of April 30, 2021 and valued based on \$6.79, the closing price of Shares on the TSX on April 30, 2021. PSUs are valued at a performance factor of 1.0 or at the relevant performance factor (between 0 and 2.0) for those years within the three-year vesting period applicable to PSUs where the performance factor has been determined.
- (4) Mr. Evans is not a member of any of the Board's committees but is invited to attend the meetings of all committees. Mr. Evans attended 100% of the committee meetings held in 2020. At each such meeting, the members of the committee, all of whom are independent, also met *in-camera* without Mr. Evans.
- (5) Ms. MacKenzie was elected as a director of the Corporation on June 17, 2020.
- (6) While acting as Chair of the Board, Mr. McCaig attended committee meetings in an *ex-officio* capacity.
- (7) The following changes to the Board's committees became effective as of June 17, 2020:
 - (a) Upon his appointment as Chair of the Board, Mr. Bruce ceased being a member of the Audit Committee and of the Compensation Committee (now the HCCC) and began attending all committee meetings in an *ex-officio* capacity;
 - (b) Ms. Fairburn was appointed as a member of the GNC;
 - (c) Ms. MacKenzie was appointed as a member of the HCCC and of the HSERC; and
 - (d) Mr. McCaig was appointed as a member of the HCCC and of the HSERC.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

To the knowledge of the Corporation, no proposed nominee for election as a director of the Corporation (nor any personal holding company of any of such persons) is, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (a) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), and that was issued while the proposed nominee was acting in the capacity as director, chief executive officer or chief financial officer; or (b) was subject to an Order that was issued after the proposed nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

Except as disclosed below, to the knowledge of the Corporation, no proposed nominee for election as a director of the Corporation (nor any personal holding company of any of such person): (a) is, as of the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that 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; or (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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 the proposed nominee.

Ian D. Bruce was a director of Laricina Energy Limited ("Laricina"), a junior oil sands private company, from 2013 to 2017. Laricina entered into *Companies' Creditors Arrangement Act* ("CCAA") under a protection order on March 26, 2015 and emerged on February 1, 2016, following completion of a restructuring.

Derek W. Evans was a director (until his resignation in January 2016) of Endurance Energy Ltd. (a private oil and gas company) that sought protection under the CCAA in May 2016.

Robert B. Hodgins was formerly a director of Skope Energy Inc. ("Skope"), a TSX listed company, which in November 2012, commenced proceedings in the Court of Queen's Bench of Alberta under the CCAA, to implement a restructuring which was completed on February 19, 2013. Mr. Hodgins ceased to be a director of Skope on February 19, 2013.

Penalties or Sanctions

To the knowledge of the Corporation, no proposed nominee for election as a director of the Corporation (nor any personal holding company of any of such person) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) 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 such proposed nominee.

Additional Information on the Director Nominees

For additional information on the director Nominees, please refer to our Corporate Governance Practices beginning on page 60.

DIRECTOR COMPENSATION

General

The Corporation's compensation program is designed to attract and retain the most qualified people to serve on the Corporation's Board and its committees and takes into account the risks and responsibilities of being an effective director. The Board sets the compensation of independent directors based on the HCCC's recommendations. The HCCC regularly reviews the compensation of independent directors and recommends to the Board such adjustments as it considers appropriate and necessary to recognize the workload, time commitment and responsibilities of the Board and committee members and to remain competitive with director compensation trends.

Director Compensation Structure

The HCCC retained the services of Meridian Compensation Partners ("Meridian") in 2020 to provide expertise and advice on a compensation market review for independent directors. For this study, the HCCC mandated Meridian to review the level and form of, and trends, in directors' compensation among the Corporation's compensation peer group with a view to aligning the Corporation's total director compensation to that of the median of its comparable market. Following the completion of the review and based upon the advice of the HCCC, the Board approved revisions to independent directors' compensation, which became effective on January 1, 2020 and which consists of an all-inclusive annual retainer structure comprising both a cash and an equity component. Board and committee meeting attendance fees were eliminated and the flat-fee compensation structure will apply regardless of the number of meetings attended by directors. The flat-fee approach is consistent with the compensation trends of the Corporation's compensation peer group, reduces variability of director fees, promotes objectivity and independence, reflects the expected time commitment of directors, facilitates meeting frequency while holding costs, and enhances alignment of director compensation with the interests of Shareholders. Each director may elect to receive all or a portion of his or her annual base cash retainer in DSUs, and each director may elect to receive up to 50% of his or her annual equity retainer in the form of RSUs and the balance in DSUs.

The Corporation's President and CEO did not receive compensation for serving as a director of the Corporation. For information regarding the compensation received by Mr. Evans in 2020 in his capacity as President and CEO, refer to "Executive Compensation".

The following table sets out the compensation structure for the Corporation's independent directors effective as of January 1, 2020⁽¹⁾:

Board Fees for Independent Directors	Chair	Member
Annual Base Cash Retainer ⁽²⁾⁽³⁾	\$165,000	\$70,000
Annual Equity Retainer ⁽³⁾⁽⁴⁾	\$150,000	\$130,000
Committee Fees for Independent Directors		
Annual Retainer for Audit Committee	\$20,000	\$10,000
Annual Retainer for All Other Committees	\$15,000	\$7,000
Meeting Fees		
The Corporation eliminated meeting fees starting in 2020		

Notes:

- (1) Annual retainers are pro-rated for periods of partial service.
- (2) Directors may elect to receive up to 100% of their annual base cash retainer in the form of DSUs. DSUs were granted quarterly in 2020. For 2021 and future years, DSUs will be granted annually.
- (3) In 2020, the annual base cash retainers were reduced by 25% from June 1 to November 30, 2020 and the annual equity retainers were reduced by 20% for 2020 in view of the impacts of the COVID-19 pandemic.
- (4) Directors may elect to receive up to 50% of their annual equity retainer in the form of RSUs (granted annually) with the balance (up to 100%) in the form of DSUs (granted quarterly in 2020 and annually for 2021 and future years).

Share-Based Compensation

Independent directors can elect to receive their annual equity retainer in the form of DSUs and RSUs. Any election to receive RSUs is subject to a limit of fifty percent (50%) of the annual equity retainer. Directors may also elect to receive their annual base cash retainer in DSUs.

DSUs

DSUs are cash-based bookkeeping entries on the books of the Corporation. Each DSU represents a notional share of the Corporation and the number of DSUs granted is determined by dividing the dollar amount of the grant by the volume weighted average price of the Shares on the TSX for the five trading days immediately preceding the grant date. As such, DSUs are not included in the Shareholder-approved share reserve for the Corporation's equity-based plans. When a director holding DSUs ceases to be a director of the Corporation, the director is paid the current cash equivalent of the market price per Share as calculated in accordance with the DSU Plan. For further details, see "Long-Term Equity Incentive Plans".

RSUs

The number of RSUs granted to directors is determined by dividing the dollar amount of the grant by the volume weighted average price of the Shares on the TSX for the five trading days immediately preceding the grant date. The RSUs vest in thirds over three years and, upon vesting, will be settled for Shares or cash at the sole election of the Board. For further details, see "Long-Term Equity Incentive Plans".

Director Compensation in 2020

In response to the COVID-19 pandemic in 2020, the Corporation reduced the 2020 annual equity retainer for independent directors as at April 1, 2020 by 20% and reduced the 2020 annual base cash retainer for independent directors by 25% effective June 1, 2020 to align with corporate-wide compensation reductions. The director annual base cash retainer reductions were restored effective December 1, 2020, in alignment with the restoration of executive base salary reductions.

Summary Compensation Table – Directors

The following table sets out the compensation paid by the Corporation to its directors, other than Mr. Evans, for the year ended December 31, 2020.

Name	Fees Earned ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾ (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value ⁽³⁾ (\$)	All Other Compensation (\$)	Total Compensation (\$)
Grant D. Billing	78,257	104,003	-	-	-	-	182,260
Ian D. Bruce	111,877	117,340	-	-	-	-	229,217
Harvey Doerr ⁽⁴⁾	40,542	26,001	-	-	-	-	66,543
Judy A. Fairburn	72,334	104,006	-	-	-	-	176,340
Robert B. Hodgins	88,251	104,006	-	-	-	-	192,257
William R. Klesse	76,251	104,006	-	-	-	-	180,257
Susan M. MacKenzie ⁽⁵⁾	40,251	86,671	-	-	-	-	126,921
Jeffrey J. McCaig	113,776	108,006	-	-	-	-	221,782
James D. McFarland	86,251	104,003	-	-	-	-	190,254
Diana J. McQueen	83,251	104,003	-	-	-	-	187,254

Notes:

- (1) "Fees Earned" includes the annual base cash retainer plus committee fees for the year, subject to a 25% reduction in response to the COVID-19 pandemic for the period June 1, 2020 to November 30, 2020. Directors may elect to receive up to 100% of their annual base cash retainer in the form of DSUs. DSUs were granted quarterly in 2020. For 2021 and future years, DSUs will be granted annually.
- (2) All Share-based awards were granted pursuant to the RSU Plans and DSU Plan in 2020 in the form of either RSUs or DSUs, subject to a 20% reduction in equity value in response to the COVID-19 pandemic. The fair values of the Share-based awards shown were calculated by multiplying the total number of units granted to a director on the grant date by the volume weighted average price of the Shares for the five trading days prior to the grant date. With respect to DSUs, as a result of a decision to award DSUs on a quarterly basis in 2020, the number of DSUs were reduced by 38% from what would have been awarded as a single award at April 1, 2020 given the recovery of the Corporation's share price during the course of the year.
- (3) The Corporation does not currently provide for, or contribute to, either a defined benefit plan or defined contribution plan on behalf of its directors.
- (4) Mr. Doerr ceased to be a director as of June 17, 2020.
- (5) Ms. MacKenzie was first elected as a director of the Corporation on June 17, 2020.

Outstanding Share-Based and Option-Based Awards – Directors

The following table sets forth information regarding RSUs and DSUs held by each director, other than Mr. Evans, as of December 31, 2020 and includes share-based awards received under the annual equity grant and, for those directors who so elected, DSUs received in lieu of cash as payment of their annual base cash retainers. Options have not been granted to independent directors since 2012 and effective June 2, 2016 independent directors were no longer eligible to participate in the Option Plan.

	Share-Based Awards			
	Number of Shares or Units of Shares that have not Vested ⁽¹⁾ (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽²⁾ (\$)	Number of Vested Share-based Awards not Paid out or Distributed (#) ⁽³⁾	Market or Payout Value of Vested Share-based Awards not Paid out or Distributed (\$) ⁽⁴⁾
Grant D. Billing	7,902	35,164	76,157	338,899
Ian D. Bruce	42,802	190,469	35,625	158,531
Judy A. Fairburn	42,802	190,469	31,868	141,813
Robert B. Hodgins	45,052	200,481	70,021	311,593
William R. Klesse	45,052	200,481	64,194	285,663
Susan M. MacKenzie ⁽⁵⁾	-	-	24,966	111,099
Jeffrey J. McCaig	40,269	179,197	160,531	714,363
James D. McFarland	-	-	108,636	483,430
Diana J. McQueen	7,902	35,164	96,631	430,008

Notes:

- (1) Includes RSUs granted under the cash-settled RSU Plan and under the treasury-settled RSU Plan.
- (2) "Market or Payout Value" is calculated by multiplying the total number of unvested RSUs held by each director by the December 31, 2020 closing price of the Shares on the TSX (\$4.45).
- (3) Includes DSUs granted under the DSU Plan.
- (4) "Market or Payout Value" is calculated by multiplying the total number of DSUs held by each director by the December 31, 2020 closing price of the Shares on the TSX (\$4.45).
- (5) Ms. MacKenzie was first elected as a director of the Corporation on June 17, 2020.

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

The following table sets forth information in respect of the value of Options and Share-based awards held by the directors of the Corporation, other than Mr. Evans, that vested during the year ended December 31, 2020 and non-equity incentive plan compensation earned by such directors during the year ended December 31, 2020. Options have not been granted to independent directors since 2012 and effective June 2, 2016 independent directors were no longer eligible to participate in the Option Plan.

	Value Vested During Year (\$)		
	Option-Based Awards	Share-Based Awards ⁽³⁾	Non-Equity Incentive Plan Compensation
Grant D. Billing	-	171,491	-
Ian D. Bruce	-	71,570	-
Harvey Doerr ⁽¹⁾	-	82,558	-
Judy A. Fairburn	-	58,236	-
Robert B. Hodgins	-	69,328	-
William R. Klesse	-	69,328	-
Susan M. MacKenzie ⁽²⁾	-	86,671	-
Jeffrey J. McCaig	-	166,968	-
James D. McFarland	-	111,546	-
Diana J. McQueen	-	117,777	-

Notes:

- (1) Mr. Doerr ceased to be a director as of June 17, 2020.
- (2) Ms. MacKenzie was first elected as a director of the Corporation on June 17, 2020.
- (3) DSUs granted to directors vest immediately and RSUs granted to directors vest in thirds over three years. Accordingly, the value in this column is the sum of the value of DSUs granted in 2020 plus the value of the RSUs vested during 2020. The value of DSUs was calculated by multiplying the number of DSUs granted by the market price at the time of grant. DSUs can only be exercised in accordance with the terms of the DSU Plan once a director ceases to be a member of the Board. The value of RSUs was calculated by multiplying the number of

RSUs that vested by the market price on the vesting date. RSUs are settled when vested or at such other date as determined by the Board at the time of grant, not later than December 15 of the third year following the date of grant. The difference in values reflect the mix of DSUs and RSUs and any DSUs received in lieu of all or part of the annual base cash retainer (as elected by the director) and the increase in the annual equity retainer for the Chair of the Board.

Director Share Ownership Guidelines

The Corporation significantly increased its share ownership guidelines for its independent directors (the "Director Guidelines") effective May 4, 2020. Each independent director is required to own and maintain during such director's term on the Board, Shares, DSUs or unvested RSUs at least equal in value to three times (3X) such director's annual base cash and equity retainer (or a value of \$945,000 and \$600,000 for the Board Chair and other independent directors, respectively). Each independent director will be required to achieve the Director Guidelines within a five-year period from the effective date of the Director Guidelines in the case of existing directors and within five years of the director's election to the Board in the case of a new director. Compliance will be determined based on a valuation at the end of each calendar year.

Each independent director must retain all Shares owned by the director and must retain in Shares the after-tax proceeds received on the settlement of treasury-settled RSUs until the target ownership level is met. Provided that the target ownership level is maintained, independent directors may sell Shares.

DIRECTOR SHARE OWNERSHIP GUIDELINES (3X BASE CASH PLUS EQUITY RETAINER)	
Chair	\$945,000
Member	\$600,000

The value of Shares, DSUs and RSUs in each independent director's qualifying holdings is determined as follows: (a) the value of Shares is equal to the greater of the actual purchase price and the closing share price of Shares on the TSX on the date of valuation; (b) the value of DSUs is equal to the greater of the value of the DSUs at the date of issue and the closing share price of Shares on the date of valuation; and (c) the value of unvested RSUs is equal to the greater of the value of the RSUs at the date of issue and the closing price of Shares on the TSX on the date of valuation.

If an independent director does not meet the Director Guidelines by the required date or does not continue to meet the Director Guidelines following the required date, the GNC will review the reasons why this has occurred. The GNC will then recommend to the Board a course of action. The Board in its discretion will determine the action to be taken, if any. Some of the factors to be considered by the GNC in its review include: market condition; whether, as a result of the unique financial circumstances of the individual, compliance would result in an unacceptable hardship; and any other relevant reason for why the Director Guidelines have not been met.

The following table sets forth the Director Guidelines and the value of the beneficial shareholdings of the independent directors at December 31, 2020, unless otherwise noted.

Name	Ownership Requirement (\$)	As of December 31, 2020				Complies with Guidelines	To be Achieved By
		Shares (#)	DSUs (#)	RSUs (#)	Value of Equity Investment (\$) ⁽¹⁾		
Grant D. Billing	600,000	53,951	76,157	7,902	615,093	Yes	n/a
Ian D. Bruce	945,000	103,951	35,625	42,802	973,373	Yes	n/a
Judy A. Fairburn	600,000	31,151	31,868	42,802	470,903	on track ⁽²⁾	May 4, 2025
Robert B. Hodgins	600,000	17,491	70,021	45,052	980,977	Yes	n/a
William R. Klesse	600,000	300,000	64,194	45,052	1,836,662	Yes	n/a
Susan M. MacKenzie	600,000	40,000	24,966	-	289,099	on track ⁽²⁾	June 17, 2025
Jeffrey J. McCaig	600,000	648,896	160,531	40,269	6,439,247	Yes	n/a
James D. McFarland	600,000	30,209	108,636	-	1,153,058	Yes	n/a
Diana J. McQueen	600,000	32,501	96,631	7,902	680,868	Yes	n/a

Notes:

- (1) "Value of Equity Investment" is calculated according to the Director Guidelines as noted above using the greater of acquisition cost or current market value.

- (2) Pursuant to the Director Guidelines, each director is required to achieve the Director Guidelines within a five-year period from the effective date of the Director Guidelines in the case of existing directors and within five years of his or her election to the Board in the case of a new director.

Director Equity Vesting on Retirement

The Corporation has adopted a policy governing the treatment of an independent director's equity on retirement where the director resigns and has a minimum of two continuous years of service as a director of the Corporation as of the date of resignation, and who provides written notice of resignation at least one fiscal quarter prior to the effective date of resignation to the Board Chair and the CEO (or the CEO in the case of a resignation by the Board Chair). In such circumstances, all RSUs granted to the director in respect of the year of resignation will be pro-rated to the date of retirement and all unvested RSUs held by the director will continue to vest and be paid out for a three-year period following the effective date of resignation. All outstanding DSUs will vest in accordance with the terms of the DSU Plan. See *"Appendix B – Summary of DSU Plan, Option Plan and RSU Plans"*.

EXECUTIVE COMPENSATION

LETTER FROM OUR HUMAN CAPITAL AND COMPENSATION COMMITTEE

Dear Fellow Shareholders:

The Human Capital and Compensation Committee (the “HCCC”), which is now operating under a broadened mandate to also steward the Corporation’s human capital strategy, is pleased to provide you with an overview of the Corporation’s performance in 2020, a year of unprecedented challenges, and its approach to executive compensation in the face of these challenges. The Compensation Discussion and Analysis presented below sets out the Corporation’s executive compensation philosophy and practices and how they were considered when reaching decisions regarding compensation paid to the Corporation’s executives.

The Corporation’s executive compensation program and policies are designed to attract and retain talented individuals at a competitive cost to the Corporation and to ensure they are motivated to pursue our goal of delivering long-term Shareholder value. In addition, the Corporation is committed to ensuring there is a strong and direct link between the Corporation’s financial results, Shareholder value creation and the resulting executive compensation. This alignment between Shareholder value creation and the compensation of our executives is demonstrated in the Corporation’s look-back table, which can be found under the heading “*Compensation of Named Executive Officers – Total Direct Compensation – Pay Opportunity vs. Realizable/Realized Pay*”.

2020 Executive Compensation Decisions

Leading into 2020, and in order to align with long-term Shareholder experience, the Board continued to freeze 2020 base salaries of the Corporation’s executives, whose numbers had been reduced by 43% in 2019. The salaries of the Corporation’s NEOs have been increased only once in the past five years (in January 2018), other than salary increases associated with an increase in responsibilities.

The Corporate Performance Scorecard for 2020 approved by the Board in early 2020 focused on cost management and improving balance sheet strength as well as on environmental, social and governance (ESG) matters, including: health, safety and environment measures; enhancing diversity and inclusion within the organization; enhancing relationships with Indigenous peoples; and, enhancing ESG matters (including establishing and communicating climate-related targets and advancing technology solutions to achieve net-zero emissions).

In response to the new challenges that emerged in early 2020 as a result of the COVID-19 pandemic and the associated collapse in world oil demand and oil prices, the Corporation implemented temporary operating procedures at Christina Lake and Calgary to minimize the spread of the virus, reduced capital expenditures, developed contingency plans to manage a range of production levels to maintain profitability and continuity of operations, and implemented further steps to reduce costs and preserve liquidity. The cost measures included a 20% reduction in the value of the target 2020 long-term incentive awards granted to employees on April 1, 2020 and rollbacks of employee salaries across the organization for the period June 1, 2020 to November 30, 2020, as follows: 25% for the CEO; 15% for the CFO and COO, 12% for other executives and 7.5% for all other employees.

Despite the incredibly challenging environment faced by the oil and gas industry in 2020, the Corporation had a very strong performance in 2020 while ensuring both the health and safety of its employees and contractors and the safe and reliable operation of its Christina Lake facility. The Corporation did not experience any COVID-19 outbreaks during 2020 at any of its locations. In addition, the Corporation continued to execute on its strategic objective of improving overall cost efficiencies, preserving financial liquidity and enhancing the Corporation’s competitive position. The Corporation repaid \$132 million of long-term debt concurrent with the refinancing of US\$1.2 billion of existing indebtedness and exited the year with \$114 million of cash on hand and its \$800 million modified covenant-lite revolver undrawn. Subsequent to year-end, the Corporation successfully refinanced US\$600 million of existing indebtedness extending the maturity runway of outstanding long-term debt to 2025. Throughout 2020,

the Corporation continued to significantly reduce ongoing G&A expenses and achieved record low annual non-energy operating costs.

In 2020, the Corporation continued to advance its ESG activities and strategy, including approving its commitment to support the Paris Agreement and the approving of the Corporation's long-term ambition of reaching net-zero GHG emissions (scope 1 and scope 2) by 2050.

In applying the Corporate Performance Scorecard to the Corporation's performance in 2020, the performance targets in the scorecard were not adjusted despite the significant impact of COVID-19 on the energy sector. The assessment of the Corporation's performance against the original unadjusted scorecard yielded a corporate performance factor of 120%, notwithstanding the extraordinary challenges of COVID-19 and oil price volatility early in the year, which negatively impacted production and funds flow. Taking a holistic view and a desire to recognize the commitment, perseverance and resilience of the Corporation's employees and the achievement of results within their control, the Board decided to apply the Corporate Performance Scorecard without any discretionary adjustment and approved a corporate performance factor of 120% to determine short-term incentive awards (cash bonus) paid in mid-March 2021. Additionally, the Board did not make any changes or adjustments to in-flight long-term incentive awards held by employees and these awards will continue to vest on an unadjusted basis in accordance with their terms.

CEO Compensation

Compensation of the Corporation's CEO, Derek Evans, for 2020 was determined based upon the Corporate Performance Scorecard and an evaluation of Mr. Evans' performance against the CEO objectives that were approved by the Board in early 2020. The CEO objectives were primarily focused on the Corporation's strategic focus of improving cost efficiencies, preserving financial liquidity and enhancing the Corporation's competitive position. Mr. Evans' 2020 individual performance rating as adopted by the Board was 180% out of 200%, resulting in a bonus award of \$792,000, or 132% of the target STI award opportunity (i.e. 80% weighted to Corporate Scorecard Performance factor of 120% and 20% to individual performance rating of 180%). No discretionary adjustment was made to the CEO's annual STI award in 2020. The details of the Board's evaluation of Mr. Evans' 2020 performance can be found under the heading "*Individual Performance of CEO*".

Looking Forward

The Corporation continues to monitor the evolving COVID-19 situation to determine what, if any, additional measures might need to be taken to ensure that the health and safety of its people and the safe and reliable operations of its Christina Lake facility. After successfully navigating an extremely difficult year, the Corporation is well positioned to take advantage of a strengthening oil price environment. The Corporation's strategic focus in 2021 is to reach full production levels and to continue to apply free cash flow to further debt reduction. In addition, the Corporation is committed to furthering its ESG priorities and initiatives including health, safety and environmental matters with an increased focus on mental health, climate-related targets for 2030 and 2050, human capital development and inclusion and diversity matters. The Board believes that the Corporation's compensation program will deliver on these strategic objectives and support long-term Shareholder value.

On behalf of the HCCC, I would like to thank you for your support and feedback, which we will continue to seek as we review and refine our compensation practices to ensure that they deliver compensation consistent with the Corporation's short- and long-term performance against its strategic objectives. Please feel free to contact members of the HCCC through the Corporation's corporate secretary at MEG Energy Corp., 21st Floor, 600 – 3rd Avenue S.W., Calgary, Alberta T2P 0G5 or contact the Corporation's Investor Relations department any time, by letter, e-mail at invest@megenergy.com or by telephone at 403.767.6206.

JAMES D. McFARLAND, Human Capital and Compensation Committee Chair

COMPENSATION DISCUSSION AND ANALYSIS

Executive Summary

The Corporation demonstrated resilience throughout 2020 as it took definitive action to enhance its strong liquidity and protect its asset base in the face of the market conditions resulting from the COVID-19 pandemic. The Corporation's significant accomplishments in 2020 include:

COVID-19 Response

On March 17, 2020, Alberta's Chief Medical Officer of Health declared a public health emergency in an effort to combat the spread of COVID-19 and on March 27, 2020 the Corporation's business activities were declared an essential service by the Alberta Government. At the onset of the global pandemic, the Corporation established a COVID-19 task force comprised of members of senior management and employees as well as third party expert consultants to promptly implement measures to protect the health and safety of the Corporation's work force and the public, as well as to ensure continuity of operations. The Corporation directed the vast majority of its office staff and certain non-essential field staff to work from home, and implemented mandatory self-quarantine policies, travel restrictions, screening protocols, enhanced cleaning and sanitation measures, social distancing measures, revised shift schedules and increased appropriate protective equipment. In September 2020, the Corporation safely returned to near-normal operations, with new safety measures in place, including the majority of staff returning to regular work locations. After COVID-19 infection rates began to rise significantly in early December 2020, in accordance with public health directives, the Corporation directed staff who are able to work from home to do so in order to reduce risks of exposure.

Financial Accomplishments

The Corporation's significant financial accomplishments during 2020 include:

- On January 31, 2020, the Corporation successfully closed a private offering of US\$1.2 billion in aggregate principal amount of 7.125% senior unsecured notes due 2027. The net proceeds of the offering, together with cash on hand, were used to fully redeem US\$800 million in aggregate principal amount of 6.375% senior unsecured notes due 2023 and partially redeem US\$400 million of the US\$1.0 billion aggregate principal amount of 7.0% senior unsecured notes due 2024. Concurrent with this refinancing, the Corporation redeemed US\$100 million (\$132 million) of 6.5% senior secured lien notes due 2025;
- Subsequent to year end, on February 2, 2021, the Corporation successfully closed a private offering of US\$600 million in aggregate of 5.875% senior unsecured notes due 2029. The net proceeds of the offering, together with cash on hand, were used to fully redeem remaining US\$600 million in aggregate principal amount of 7.0% senior unsecured notes due 2024;
- As a result of these refinancing transactions, the Corporation has extended its nearest long-term maturity to 2025 and the Corporation's \$800 million modified covenant-lite revolver remains undrawn;
- During 2020, the Corporation was able to enhance its financial position, including protecting liquidity, through a robust commodity price risk management program which resulted in a \$343 million realized commodity price management gain; and
- The Corporation generated free cash flow of \$129 million in 2020 and exited the year with \$114 cash-on-hand.

Operational Results

The Corporation's significant operational accomplishments during 2020 include:

- Bitumen production volumes of 82,441 barrels per day, compared to 93,082 barrels per day in 2019. Contributing to the decrease in production volumes was the impact of the Corporation's major planned turnaround at the Phase 1 and 2 facilities, which began in early June 2020 and was completed mid-August 2020. The 2020 turnaround was extended in duration to 75 days and expanded in scope, relative to the Corporation's original budget, in order to minimize staff levels at site during COVID-19 and maximize utilization of the Corporation's internal resources thereby lowering overall cash costs. The Corporation also made the decision to advance turnaround activities from 2021 to significantly reduce 2021 turnaround requirements. The decrease in 2020 bitumen production was also impacted by the Corporation's decision, in the first half of 2020, to reduce capital investment by \$100 million and undertake voluntary price-related production curtailments during the second quarter of 2020 in order to preserve financial liquidity;
- Non-energy operating costs were \$133 million, or \$4.38 per barrel, in 2020 compared to \$157 million, or \$4.61 per barrel, in 2019. General and administrative expense was \$49 million, or \$1.62 per barrel, in 2020 compared to \$68 million, or \$1.99 per barrel, in 2019. Throughout 2020 the Corporation continued efforts to drive efficiency into its cost structure including reductions in staffing levels as well a salary rollbacks and vendor concessions which contributed to the decrease in expenses year over year. The Corporation also took part in various government-led initiatives during 2020, aimed at supporting businesses facing the negative impacts of COVID-19;
- Capital expenditures in 2020 totalled \$149 million compared to \$198 million in 2019. The decrease in capital spending reflected the Corporation's decision to reduce its original 2020 budget capital budget of \$250 million by approximately \$100 million due to the unprecedented macro oil price environment experienced in 2020; and
- The Corporation sold 40% of its sales volumes to the US Gulf Coast ("USGC") compared to 33% in 2019 and now has the capacity to ship 100,000 barrels per day of blend sales, on a pre-apportionment basis, to the USGC via its committed capacity on the Flanagan South and Seaway Pipeline systems.

Technology Development

The Corporation continued to advance its reservoir recovery technologies in 2020 as part of its management of risk given expected increasingly stringent carbon regulations. The Corporation's proprietary eMSAGP technology was used again on a commercial scale in 2020 to boost production while lowering the Corporation's cash costs and environmental footprint. eMSAGP technology involves co-injecting a non-condensable gas into the reservoir with steam. Once there is sufficient heat in the reservoir, the non-condensable gas helps maintain pressure and reduces the steam-oil ratio and frees up steam to be redeployed into new SAGD well pairs, thereby improving capital efficiency and reducing emissions.

The Corporation also continued pilot-testing its proprietary eMVAPEX technology in 2020. This technology, if proven successful through expanded pilot operations, will further enhance the Corporation's growth potential by reducing capital requirements, while minimizing environmental impacts to land, air and water. During 2020, the expanded eMVAPEX pilot continued operating with propane recycling facilities. The eMVAPEX pilot is funded in part through government grants received from Alberta Innovates, Natural Resources Canada, Emissions Reduction Alberta, and Sustainable Development Technology Canada.

Environmental, Social and Governance Matters

In 2020, the Corporation continued to advance its Environmental, Social and Governance ("ESG") activities and strategy with a corporate commitment to support the Paris Agreement and the approval of the Corporation's long-term ambition of reaching net-zero GHG emissions (scope 1 and scope 2) by 2050. In addition, progress on ESG in 2020 included (a) the completion of an ESG materiality assessment in accordance with the Sustainability Accounting Standards Board ("SASB") standards to identify the Corporation's ESG priorities and initiatives, (b) the development of a Human Rights Policy Statement reflecting the Corporation's commitment to human rights as set out in the UN Universal Declaration of Human Rights and (c) the enhancement of ESG metrics including increased alignment with SASB recommendations.

The Corporation supports the Task Force on Climate-related Financial Disclosures (“TCFD”) recommendations and in 2020 the Corporation advanced its CDP Climate and Water Disclosure and released a TCFD Index linking the Corporation’s current disclosures to TCFD recommendations. The TCFD Index is available in the “Sustainability” section of the Corporation’s website at www.megenergy.com.

Linking Business Results to Compensation

In formulating its decisions regarding executive compensation, the Board wanted to ensure that the Corporation’s performance in 2020 was appropriately recognized, and at the same time take steps to best position the Corporation to advance its key strategic objectives. The Board also wanted to ensure that its pay-for-performance practices were clear, objective, defensible and aligned with modern governance standards. As a result, the Corporation took the following workforce and compensation actions in 2020:

- **Organizational Review, Re-Design and Workforce Optimization.** In April, 2020, as part of its efforts to rationalize its ongoing general and administrative expenses and non-energy operating costs through reductions in staffing levels and ongoing administrative costs, the Corporation reduced its workforce by 7%. As a further step, the Corporation conducted an organizational review with support from Ernst & Young intended to re-design the organization and optimize its workforce. This review resulted in annualized savings of \$10.8 million, or 10%, in workforce-related costs and a further reduction in its workforce of 8%;
- **Continued Base Salary Freezes.** The Board elected to continue the base salary freeze for the Corporation’s executive officers in 2020, other than salary increases associated with an increase in responsibilities;
- **Revised Director Compensation Structure.** The Board revised director compensation to eliminate meeting fees and to adopt a flat-fee compensation structure. The flat-fee approach is consistent with the Corporation’s compensation peer group, reduces variability of director fees, promotes objectivity and independence, reflects the expected time commitments of directors, facilitates meeting frequency while holding costs, and enhances alignment of director compensation with the interests of Shareholders;
- **Increased Director Share Ownership Guidelines for Directors.** The Board adopted significantly increased share ownership guidelines for directors, resulting in a five-fold increase in the required share ownership levels;
- **Reduced 2020 LTI Grant values by Twenty Percent (20%) in response to COVID-19 Pandemic and Global Oil Prices.** The Board reduced the level of the target 2020 LTI award values granted to employees and directors on April 1, 2020 by twenty percent (20%). In order to limit dilution to Shareholders, a significant portion of the 2020 LTI Grants was made under the Corporation’s Cash-Settled Restricted Share Unit Plan (as opposed to its Treasury-Settled Restricted Share Unit Plan). In addition, DSUs were awarded to independent directors on a quarterly basis in 2020 which had the effect of reducing the number of DSUs awarded as the Corporation’s share price recovered during the course of the year;
- **Implemented an equity forward purchase agreement to fix the exposure of the Corporation under its cash-settled LTI for 2019 and 2020 at a price near the grant date value.** The Board adopted this program to limit the cost of its cash-settled LTI awards should the price of Shares increase substantially from the price of Shares on the date of the grants;
- **Eliminated Stock Options as part of its 2020 and 2021 LTI compensation for all Employees.** In response to the COVID-19 pandemic and reduction in global oil prices, and the impact on the Corporation’s Share price, the Corporation eliminated the use of stock options as part of its 2020 and 2021 LTI mix to minimize share dilution; and
- **Reduced Employee Salaries and Director Compensation in response to COVID-19 Pandemic and Global Oil Prices.** For the period June 1, 2020 to November 30, 2020, the Board reduced Board base cash retainers by twenty-five percent (25%). In addition, for the period June 1, 2020 to November 30, 2020, the Board reduced salaries across the organization as follows: twenty-five percent (25%) for CEO, fifteen percent (15%) for CFO and COO, twelve percent (12%) for all other executives, and seven and a half percent (7.5%) for all other employees.

Compensation Philosophy

The Corporation believes that its success is dependent on its ability to attract, retain and motivate a dedicated group of high performing employees and top management and quality directors. Accordingly, the Corporation's compensation programs are designed to be competitive within the marketplace, to reward employees and management for achievements and duration of service to the Corporation and to promote alignment of interests between the directors, officers and employees of the Corporation and Shareholders of the Corporation.

In order to achieve this objective, the Corporation's model of executive compensation is focused on embedding a direct correlation between executive pay and corporate performance in order to align executive strategic focus with the interests of Shareholders. The Corporation's executive compensation is designed to include a combination of fixed and variable or 'at risk' components. The 'at risk' components achieve the Corporation's objective of establishing performance-based compensation by linking the payout of short-term and long-term incentives to satisfaction of specified and transparent corporate objectives. Such corporate objectives are linked directly to the Corporation's strategic objectives and have been shaped based on feedback gained through Shareholder engagement undertaken by the Board and management.

Compensation Governance

Role of the Board and HCCC

The Board oversees the executive compensation program and approves the corporate objectives upon which such program is based. With respect to the compensation of executive officers other than the CEO, the Board solicits input from the CEO as well as a recommendation from the HCCC. With respect to the compensation of the CEO, the Board solicits a recommendation from the HCCC alone.

The HCCC is comprised of four independent directors: James D. McFarland (Chair), Susan M. MacKenzie, Jeffrey J. McCaig and Diana J. McQueen. Members of the HCCC have gained experience in executive compensation matters through their roles as senior executives in industry, public sector leadership, and/or directors of numerous organizations and have direct experience in establishing and operating executive and corporate compensation programs. Further information regarding the skills and experience of each member of the HCCC is set out under "*Corporate Governance Practices – Skills Assessment and Nomination.*"

The HCCC's primary responsibilities regarding compensation matters are as follows:

- (a) in consultation with management, establish the Corporation's general compensation philosophy and oversee the development and implementation of compensation programs;
- (b) oversee the Corporation's executive compensation programs to ensure such programs are properly coordinated, externally competitive and achieving their intended purposes;
- (c) ensure that executive compensation related risks are understood and considered, and excessive or inappropriate risks are not being encouraged;
- (d) review and recommend for approval by the Board and Shareholders all equity-based compensation plans, including the RSU Plans, Stock Option Plan, or other incentive compensation plans and the administration of such plans;
- (e) review annually and recommend for approval by the Board the total executive compensation program, including base salary, short-term incentive (STI) and long-term incentive (LTI) opportunity awards, perquisites and other benefits;
- (f) evaluate annually and recommend for approval by the Board the total compensation of the CEO considering both individual performance against pre-determined goals and objectives and overall corporate performance;
- (g) review annually and recommend for approval by the Board the total compensation of each of the Corporation's executives (other than the CEO);
- (h) review annually and recommend for approval by the Board the total compensation budget for the Corporation including base salary, annual incentives and equity awards;

- (i) review annually and recommend for approval by the Board the compensation arrangements for the directors of the Corporation, the chair of the Board, and the chair and members of each committee of the Board, including the award of deferred share units (DSUs) under the DSU Plan; and
- (j) review annually and recommend for approval by the Board the individual goals and objectives established for the CEO of the Corporation.

Compensation Consultants and Advisors

As part of the 2020 compensation review process, the HCCC relied on input from management and market information provided by Mercer (Canada) Limited ("Mercer") in the Mercer Total Compensation Survey for the Energy Industry (the "Mercer Survey") and other publicly available data sources. The Corporation also engaged Meridian Compensation Partners ("Meridian") to review the compensation peer group (the "Compensation Peer Group"). This peer group is used to assess the competitiveness of its compensation programs and policies, establish target incentives and determine total compensation, including base salary, annual short-term incentives (cash bonuses) and long-term incentives (LTI grants) for each of its executive officers. The Corporation generally targets total direct compensation, including base salary, cash bonuses and LTI grants, to the 50th percentile of the Compensation Peer Group for the executive roles within the Corporation. Notwithstanding the foregoing, compensation levels for some key positions are adjusted from the applicable target level due to the experience, scope, demand for and contribution of the particular individual.

Each position in the Corporation is benchmarked or matched to a corresponding role in the Mercer Survey. Each senior executive position is also matched to a corresponding senior executive role in the management information circulars of the Corporation's Compensation Peer Group. The compensation data for these matches is used to provide guidance on base salary, annual cash bonus and LTI grants. Management then makes recommendations to the HCCC, based on these benchmarking results and the performance and contribution of the senior executive. The HCCC then reviews the recommendations and adjusts as appropriate and makes a recommendation to the Board for approval. In the case of the CEO, the HCCC reviews the CEO self-assessment and Board assessment of CEO performance, the relevant industry and Compensation Peer Group data and the overall performance of the Corporation prior to determining its recommendation to the Board related to CEO compensation.

Mercer also provides consulting services to management relating to the Corporation's benefits programs pertaining to all employees.

The following table provides information regarding the fees paid to Mercer, Willis Towers Watson ("Towers"), and Meridian with respect to services provided to the HCCC and to management for the years ended December 31, 2019 and December 31, 2020.

	Mercer		Towers ⁽²⁾		Meridian	
	2019	2020	2019	2020	2019	2020
Executive Compensation Related Fees (\$)	115,662	38,833	-	-	-	34,115
All Other Fees ⁽¹⁾ (\$)	78,768	63,217	12,180	-	-	-
Total (\$)	194,430	102,050	12,180	-	-	34,115

Notes:

- (1) Includes consulting fees paid for other matters that apply to the Corporation as a whole, such as commissions on group benefit plans.
- (2) In 2019, the fees paid to Towers related to the annual Towers survey.

Compensation Risk Mitigation

The features of the Corporation's compensation programs have been designed to foster decisions and actions that result in the creation of both near-term and long-term Shareholder value. Additionally, the Corporation's executive compensation design process includes the following structural measures which are intended to discourage short-term thinking or excessive risk-taking by executives:

- Annual review and consideration by HCCC and Board of executive compensation policies and practices relative to appropriate industry peers;
- Blend of short-term and long-term variable incentive programs with varied vesting periods to incent - long-term motivation for decision making; and

- Blend of compensation criteria tied to 'at risk' compensation that are based on measures over which no single executive has full control.

Anti-Hedging Policy

In addition to the foregoing structural measures, the Corporation's anti-hedging policy prohibits directors and executives of the Corporation from purchasing any financial instrument designed to hedge or offset a decrease in market value equity securities granted as compensation, or held, directly or indirectly, by any director or officer.

Clawback Policy

The Corporation's Clawback Policy provides that if the Board determines that an executive of the Corporation has engaged in fraud or intentional illegal misconduct which requires a material restatement of the Corporation's financial results and the restatement results in lower performance-based compensation than what was actually paid or awarded to the executive, then the Board of Directors may recover from the executive the difference between the performance-based compensation paid or awarded and the performance-based compensation calculated based on the restated financial results.

Share Ownership Guidelines

The Corporation has adopted share ownership guidelines for all executives in order to align the interests of executives with the interest of Shareholders. The share ownership guideline for the President and Chief Executive Officer is five times base salary, for the Chief Financial Officer, Chief Operating Officer and Senior Vice Presidents is three times base salary, and for Vice Presidents is two times base salary. These ownership levels are required to be achieved within five years from the date of appointment. See "*Compensation of Named Executive Officers – Executive Share Ownership Guidelines*" for more information on share ownership of the current NEOs.

Compensation Benchmarking

The Corporation generally targets the 50th percentile (P50) of its peer group for total direct compensation for its executives. Having appropriate peer groups to measure against is key to achieving this goal. The Corporation uses two distinct peer groups for purposes of benchmarking different elements of its compensation: a Compensation Peer Group and a Performance Peer Group.

Compensation Peer Group

Companies are selected for inclusion in the Compensation Peer Group primarily on the basis of who the Corporation competes with for talent, being those companies from which the Corporation hires its executives as well as those which are most likely to seek out and hire the Corporation's executives. Keeping compensation competitive with these organizations improves the Corporation's ability to attract and retain its executive workforce. The following selection criteria are used by the Board and have proven effective in identifying organizations that the Corporation competes with for executive talent:

Factors Considered	Selection Criteria
1. Competition History	Historical Source of or Destination for Executive Talent
2. Oil versus Gas Weighting	Strong Oil Weighting (with preference given to those with oil sands/in situ operations)
3. Ownership Type	Publicly Traded on the TSX
4. Industry Sector	Upstream Oil & Gas or Pipeline/Midstream
5. Location of Headquarters/Operations	Alberta/Western Canada
6. Corporate Size Characteristics	Enterprise Value, Revenue and/or Production

Organizations rarely meet all of the selection criteria, but alignment on most criteria usually indicates that the organization competes with the Corporation for executive talent and is an appropriate peer for compensation benchmarking.

For the Corporation's senior executives, the Corporation typically relies on compensation data disclosed in management information circulars for the companies in the Compensation Peer Group to conduct its pay benchmarking. For the Corporation's other executives, the Corporation relies on the Mercer Survey and other industry surveys.

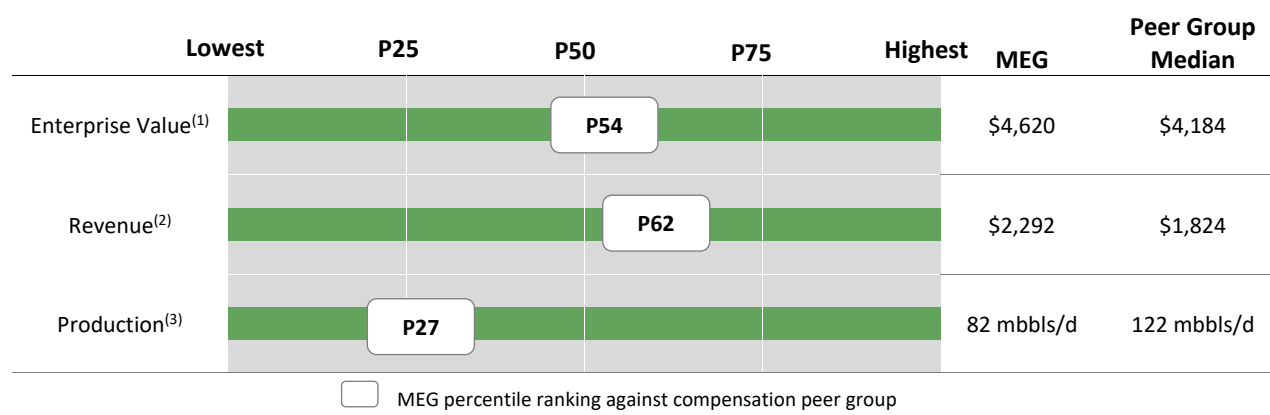
In 2020, the Corporation updated its Compensation Peer Group based on results of the Meridian review, to be comprised of the following 16 companies:

	2020 Compensation Peers	2019 Compensation Peers
ARC Resources Ltd.	✓	✓
Athabasca Oil Corporation	✓	✓
Baytex Energy Corp.	✓	✓
BP Energy		✓ ⁽¹⁾
Cenovus Energy Inc.	✓	✓
ConocoPhillips Canada		✓ ⁽¹⁾
Crescent Point Energy Corp.	✓	✓
Devon Canada		✓ ⁽¹⁾
Enerplus Corporation	✓	✓
Husky Energy Inc.	✓	
Inter Pipeline Ltd.	✓	
Keyera Corp.	✓	
NuVista Energy Ltd.	✓	
Ovintiv Inc.	✓	✓
Pembina Pipeline Corporation	✓	
Pengrowth Energy Corporation		✓
Seven Generations Energy Ltd.	✓	✓
Tourmaline Oil Corp.	✓	
Vermilion Energy Inc.	✓	✓
Whitecap Resources Inc.	✓	✓

Note:

(1) Additional peers used to benchmark compensation for the Corporation's Vice Presidents in 2019 (excluding more senior executives).

The Corporation aims to position itself near the median (P50) of the Compensation Peer Group in terms of corporate size characteristics. The chart below shows the Corporation's positioning on each of enterprise value, revenue and production:



Notes:

- (1) Enterprise Value (defined as market capitalization plus net debt) in \$ millions as at December 31, 2020 as per Refinitiv Eikon.
- (2) 2020 annual revenue in \$ millions.
- (3) 2020 annual production, in thousands of barrels of equivalent per day ("mboe/d").

Performance Peer Group

The Corporation uses a Performance Peer Group that is distinct from the Compensation Peer Group for the purpose of benchmarking relative total shareholder return (TSR) performance under the Corporation's PSU program. See "Components of Executive Compensation" for more information.

Each year the Corporation reviews its oil and gas industry peers with the goal of creating a representative peer group with business and risk profiles that are similar to the Corporation. Companies are selected for inclusion in the Performance Peer Group based primarily on how their stock price responds to macroeconomic factors such as WTI oil prices, light-heavy oil price differentials and pipeline apportionment. By selecting companies having similar exposure to the effects of these external factors as the Corporation has, relative share price performance more accurately reflects the actions of management. The following selection criteria were applied in the construction of the 2020 Performance Peer Group:

Factors Considered	Selection Criteria
1. Oil Sands/Oil Weighted Production	Either Oil Sands or Oil Weighted Production (vs. Gas Weighted)
2. Upstream Focus	Not Fully Integrated (with Midstream/Downstream Operations)
3. Ownership Type	Publicly Traded on the TSX
4. Domestic Production Focus	Majority of Production in Western Canada
5. Share Price Behavior	Correlation with MEG Share Price over a Five-Year Period
6. Corporate Size Characteristics	Enterprise Value, Revenue and/or Production

The Corporation's 2020 Performance Peer Group consists of 19 companies:

	2020 Performance Peers	2019 Performance Peers
ARC Resources Ltd.	✓	✓
Athabasca Oil Corporation	✓	✓
Baytex Energy Corp.	✓	✓
Bonavista Energy Corporation	✓	✓
Cenovus Energy Inc.	✓	✓
Crescent Point Energy Corp.	✓	✓
Enerplus Corporation	✓	✓
Gran Tierra Energy Inc.	✓	✓
Husky Energy Inc.	✓	✓
Imperial Oil Limited	✓	✓
NuVista Energy Ltd.	✓	
Obsidian Energy Ltd.	✓	✓
Ovintiv Inc.	✓	✓
Paramount Resources Ltd.	✓	✓
Pengrowth Energy Corporation		✓
Seven Generations Energy Ltd.	✓	
TORC Oil & Gas Ltd.	✓	✓
Tourmaline Oil Corp.	✓	✓
Vermilion Energy Inc.	✓	✓
Whitecap Resources Inc.	✓	✓

Components of Executive Compensation

The compensation package for all executive officers is comprised of base salary, annual short-term incentives (STI), participation in the Corporation's long-term incentive (LTI) plans, participation in benefit plans and other nominal perquisites. All salaries, salary increases, short-term incentives and long-term incentive grants for the NEOs and other executive officers, as applicable, have been reviewed, considered and recommended by the HCCC and, in turn, approved by the Board. The review process includes an analysis relative to the Corporation's Compensation Peer Group to match peer group data for similar job descriptions, with the goal of aligning compensation to the median of the Compensation Peer Group in order to attract and retain qualified and experienced personnel. Further adjustments to compensation are made based primarily on individual and corporate performance.

Component and Performance Period	Description	Objective
Base Salary (Fixed) Annual	<ul style="list-style-type: none"> ➤ Compensation related to discharge of duties and based on role, skills and responsibility ➤ Competitive with P50 of Compensation Peer Group for executives ➤ Determined by the Board based on recommendation HCCC ➤ Discretion may be exercised to account for the Shareholder experience when salary increases are being considered. Corporation's executives did not receive a salary increase for 2020, except for selected executives whose responsibilities were increased 	<ul style="list-style-type: none"> ➤ Market competitive feature designed to attract and retain high performing executives
Benefits and Perquisites Annual	<ul style="list-style-type: none"> ➤ Parking, perquisite allowance, medical and dental benefits, savings plan contributions, executive medical ➤ The Corporation does not have a pension plan 	<ul style="list-style-type: none"> ➤ Market competitive feature designed to attract and retain high performing executives
Short-Term Incentives (Variable) Annual	Cash Bonus <ul style="list-style-type: none"> ➤ Determined using each executive's individual bonus target as a percentage of base salary, weighted between corporate performance scorecard results and individual performance ➤ See discussion below under the heading "<i>Short-Term Incentive Compensation</i>" for targets, corporate vs individual weighting and 2020 Corporate Performance Scorecard results ➤ Intended to motivate and reward executives where they achieve or surpass annual corporate goals 	<ul style="list-style-type: none"> ➤ Motivate and reward executive officers to contribute to the satisfaction of the Corporation's short-term strategic and operational goals
Long-Term Incentives⁽¹⁾ (Variable) 1-3 Years	Restricted Share Units (RSUs) <ul style="list-style-type: none"> ➤ RSU awards vest and are settled in thirds on the 1st, 2nd and 3rd anniversary of the date of grant. Value upon vest is determined based on 5-day volume weighted average share price leading up to vest date ➤ The Corporation has issued RSUs under both its cash-settled and treasury-settled plans in prior years, as required to stay within its Shareholder approved share reserve. However, in 2020, the Corporation established a corporate objective to issue only treasury-settled RSUs where possible and if not possible to treasury-settle an entire award, to issue treasury-settled RSUs to executives and board of directors members and continue to do so by level as far down the organization as possible ➤ Annual grant 	<ul style="list-style-type: none"> ➤ Provides ability to attract and retain talent while ensuring alignment of executive interest with Shareholder interest by linking pay to performance ➤ Offers 'at risk' compensation whereby realized value is directly linked to retention timelines and, in the case of PSUs, to satisfaction of specified performance metrics and to share price performance at vesting
3 Years	Performance Share Units (PSUs) <ul style="list-style-type: none"> ➤ PSU awards are administered under the RSU Plan but have performance conditions attached to them ➤ PSUs become eligible to vest in thirds on the 1st, 2nd and 3rd anniversary of the date of the grant (as adjusted by a multiplier referenced below) with cliff vesting occurring on the 3rd anniversary of the date of the grant ➤ Satisfaction of performance metrics is measured following completion of each performance year included in a grant and leads to a multiplier between 0X and 2X being applied to the award when it becomes eligible to vest (see discussion below for details on PSUs performance measures) ➤ Performance measures set annually for each separate performance period rather than for a single three-year performance period 	<ul style="list-style-type: none"> ➤ Rewards contribution toward high corporate performance ➤ Encourages long-term strategic decision making which is aligned with Shareholder interests ➤ Decision to set targets for three annual performance periods rather than for a single three-year performance period is intended to recognize the practical

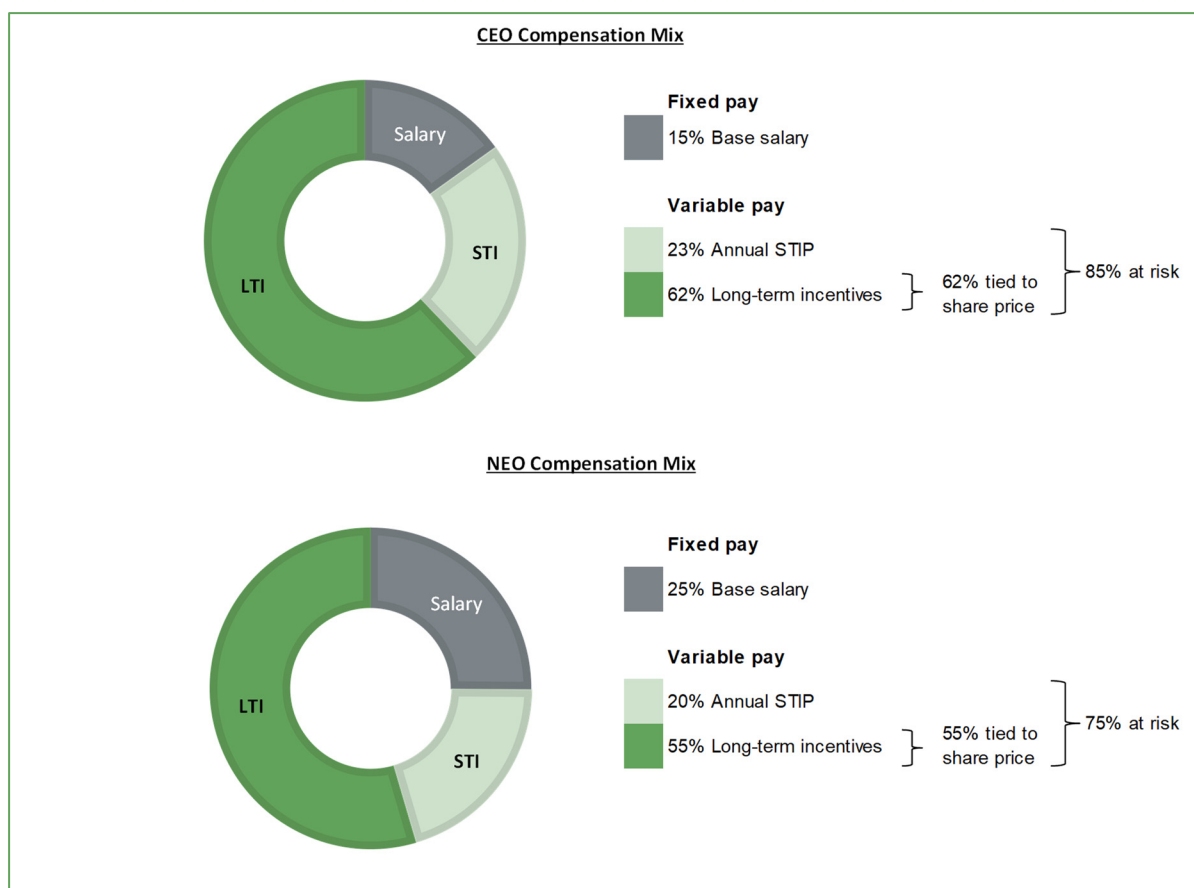
Component and Performance Period	Description	Objective
	<ul style="list-style-type: none"> ➤ The Corporation issued PSUs under both its cash-settled and treasury-settled plans in prior years, as required to stay within its Shareholder approve share reserve. However, in 2020, the Corporation established a corporate objective to issue only treasury-settled PSUs where possible and if not possible to treasury-settle the entire award, to issue treasury-settled PSUs to executives and continue to do so by level as far down the organization as possible ➤ Annual grant 	challenges involved in setting meaningful long-term performance targets in the volatile and rapidly changing business environment in which the Corporation operates
1-3 Years	Stock Options (Options) <ul style="list-style-type: none"> ➤ Option awards vest annually in thirds on the 1st, 2nd and 3rd anniversary of the date of the grant ➤ Annual grant ➤ Awards expire on 7th anniversary of grant date ➤ Options were not included in the compensation mix for 2020 and 2021 	

Note:

- (1) A detailed description of the material terms of the Corporation's RSU Plans (under which PSUs are also granted) and Stock Option Plan, can be found under the heading "Long-Term Equity Incentive Plans".

Compensation Mix

The following charts illustrate the proportion of 2020 NEO compensation made up of fixed, short-term variable and long-term variable compensation. The HCCC and the Board believe that the heavy weighting on variable (or "at risk") compensation, the use of a balanced set of measures to determine short-term incentive (STI) payouts, and a mix of LTI instruments supports pay for performance, discourages inappropriate risk taking and fosters retention.



Short-Term Incentive Compensation

The Corporation's STI compensation program is based on the following model:

$$\text{Bonus Payment} = \text{Salary} \times \text{Bonus Target \%} \times \left[\begin{array}{cc} \text{Individual Weighting} & \text{Corporate Weighting} \\ \times & + \\ \text{Individual Rating} & \text{Corporate Rating} \end{array} \right]$$

The STI weighting between Corporate Performance and Individual Performance for each NEO is set according to such NEO's level of seniority within the organization.

MEG Internal Level	Annual Bonus Target	Corporate Performance Weighting	Individual Performance Weighting
CEO	100%	80%	20%
CFO/COO/SVP	60%	75%	25%
VP	45%	70%	30%

The actual STI awards to each NEO for 2020 are set out fully under the heading "Summary Compensation Table – NEOs".

Long-Term Incentive Compensation

In determining the recommended total value of LTI to be granted to each NEO, the HCCC takes into consideration several factors, including scope of responsibility, ability to affect Shareholder value, performance, LTI value awarded to comparable peers within the Compensation Peer Group, as well as the resulting total direct compensation of those NEOs. Previous grants are not generally taken into account when determining the value of grants made in any given year.

The associated value of RSUs, PSUs and Options awarded to each NEO is then determined by multiplying the total LTI value by the LTI mix percentages which are in place for executives. Options were not awarded to NEOs in 2020 and 2021.

2020 NEO LTI TARGET RANGES (% OF BASE SALARY)	
CEO	300%-500%
CFO/COO	200%-400%
SVP	150%-250%
VP	100%-200%

2020 NEO LTI MIX	
PSUs	50%
RSUs	50%

2020 Compensation Performance

Measuring 2020 Performance for Short-Term Incentive Compensation

The corporate rating used in the STI model is determined using targets set out in Corporation's Corporate Performance Scorecard for the relevant performance year. Following completion of a performance year, the Board, with the advice of HCCC, reviews the results of the Corporate Performance Scorecard and makes a determination as to the corporate rating to be applied to the STI calculation for the year.

2020 Corporate Performance Scorecard

At the time the Corporation established its 2020 Corporate Performance Scorecard in late 2019 and approved by the Board in early 2020, it was focused on further alignment with Shareholder interests and the Corporation's strategic objectives for the future, including the following: continue focus on health, safety and environment matters; continue focus on cost management and maintaining strong liquidity; enhance diversity and inclusion within the organization; enhance relations with Indigenous peoples; and enhance ESG matters (including establishing and communicating 2030 and 2050 climate-related targets and advancing technology solutions to achieve net-zero emissions). In addition, the four categories in the 2020 bonus scorecard (Health, Safety & Environment; Financial; Operational; and Strategic) were given equal weightings for 2020. The performance targets set early in 2020 were not adjusted despite the subsequent significant impact of COVID-19 on the energy sector.

Health, Safety & Environment 25%	Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)	Result	Weight	Final Score
	Employee LTI	2	1	0	0	3.5%	2.0x
	Contractor LTI	2	1	0	1	3.5%	1.0x
	Process Safety Management - Serious Incident Frequency	3	2.35	1.65	1.2	3.5%	2.0x
	Occupational Health and Safety - Potential Serious Injury	6	4	2	0	3.5%	2.0x
	Compliance AER Inspections	Industry Avg +2%	Industry Avg +4%	Industry Avg +6%	90%	3.5%	2.0x
	GHG Compliance Intensity (kgCO2E/bbl)	TIER Facility Benchmark + 3	TIER Facility Benchmark	TIER Facility Benchmark - 3	58	4.0%	1.67x
	Reportable Spill Intensity Volume Spilled (10 ³ /106m ³ total production)	2.3	2.0	1.7	6.95	3.5%	0.00x
Financial 25%	Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)		Weight	Final Score
	G&A (\$mm)	\$65.6	\$62.5	\$59.4	\$48.9	5.0%	2.0x
	Total Debt Reduction (\$mm) ⁽¹⁾	\$0	\$130	\$500	\$132	10.0%	1.0x
	Adjusted Funds Flow per share (\$ / share) Target at \$55 WTI ⁽²⁾	\$0.77	\$1.32	\$1.81	\$0.91	10.0%	0.25x
Operational 25%	Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)		Weight	Final Score
	Production (bpd)	92,500	95,500	98,500	82,441	10.0%	0.0x
	Non-energy Opex (\$/bbl) Target is based on 2020 Budget 95,400 bpd production	\$4.80	\$4.60	\$4.40	\$4.38	10.0%	2.0x
	Capital (\$mm)	\$260	\$250	\$225	\$149	5.0%	2.0x
Strategic 25%	Performance Indicator	Target (All strategic targets offer opportunity to earn 0x to 2x factor)				Weight	Final Score
	Manage Balance Sheet	<ul style="list-style-type: none"> Reduce financial risk to Shareholders by extending maturities of existing long-term debt. Result: First maturity now 2024 and reduced amount from US\$1B to US\$600MM; Additional Second Lien Note repayment of US\$100MM; New issue discount best-in-class for upstream issuer.				5.0%	2.0x
	Inclusion & Diversity	<ul style="list-style-type: none"> Create policy. Identify systemic barriers and develop and implement strategies to effect change. Implement new hiring policy – including 50% of all finalists for new positions to be female. Result: 51% of all candidates selected for interview across all positions were female; 30% female directors achieved.				5.0%	0.5x
	Indigenous People (“IP”)	<ul style="list-style-type: none"> Establish baseline understanding of number of IP in organization. Increase the number of majority IP owned vendors working for the Corporation by 2x. Increase number of IP working for MEG by 5 – 10 FTE (including contractor positions). Result: Developed Inclusion & Diversity questions for new hires to enable Corporation to track IP employee data; one IP individual hired to leadership role; IP spend as percentage of capital expenditures increased 7.5% in 2020; 10 of 25 RFPs awarded to IP businesses.				5.0%	0.6x
	Marketing Plan	<ul style="list-style-type: none"> Develop and roll out a comprehensive marketing plan for AWB by July 2020. Result: Strategy completed and shared with Board at September strategy session; Success in mitigating costs on market contracts; Butane blending facility advanced for 2021.				5.0%	1.5x

	Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)	Result	Weight	Final Score
	Enhance ESG Ratings & Set and Communicate GHG Goals	<ul style="list-style-type: none"> Significantly improve ESG ratings with appropriate agencies Establish / Communicate 2030 / 2050 goals and near-term targets Advance technology solutions to achieve net-zero emissions Fund carbon capture initiative Result: Enhanced and improved disclosure in CDP Climate and Water and ranked above global peers for the sector; Improved ISS QualityScore ratings; Completed ESG materiality survey and developed key priorities; Set 2050 net zero emissions target (Scope 1 and 2)				5.0%	1.25x
2020 Calculated Performance Factor						120%	1.20
2020 Board Approved Performance Factor ⁽³⁾						120%	1.20

Notes:

- (1) Total debt is a non-GAAP measure with no standardized definition under IFRS and therefore may not be comparable to similar measures presented by other companies. See “Advisories – Non-GAAP Financial Measures” for further details.
- (2) Adjusted funds flow is defined in Note 26 of the annual 2020 financial statements. See “Advisories – Non-GAAP Financial Measures” for further details.
- (3) The assessment of the Corporation’s performance in 2020 against the original unadjusted Corporate Performance Scorecard yielded a corporate performance factor of 120%, notwithstanding the extraordinary challenges of COVID-19 and oil price volatility early in the year, which negatively impacted production and funds flow. Taking a holistic view and a desire to recognize the commitment, perseverance and resilience of the Corporation’s employees and the achievement of results within their control, the Board decided to apply the Corporate Performance Scorecard without any discretionary adjustment and approved a corporate performance factor of 120%. In approving the corporate performance factor, the Board was satisfied that the Corporation’s participation in government support initiatives during 2020 did not have a material impact on the Corporation’s overall performance under the Corporate Performance Scorecard.

2021 Corporate Performance Scorecard

For 2021, the weightings of the four categories in the 2020 bonus scorecard were revised as follows: Health, Safety & Environment (25%); Financial (30%); Operational (30%); and Strategic (15%). In addition, a number of the specific performance indicators were changed to better reflect the Corporation’s enhanced focus on health, safety and environmental matters and its strategic focus on reaching full production levels. New performance indicators relating to Health, Safety & Environment measures for 2021 include contractor safety audits and reportable spill counts, and the Financial performance indicators were revised to add net debt to last 12-months EBITDA in the place of total debt reduction. Strategic performance indicators reflect the Corporation’s continued focus on its ESG priorities and initiatives.

	Performance Indicator	Weight
Health, Safety & Environment 25%	LTI – Employee & Contractor	4.0%
	Potentially Serious Events	4.0%
	Contractor Audits	4.0%
	Compliance AER Inspections – Industry Average PLUS	3.5%
	GHG Compliance Intensity (kgCO ₂ E/bbl)	3.5%
	Reportable Spill Intensity Volume Spilled (m ³ /million m ³)	3.0%
	Reportable Spill Count	3.0%
		25%
Financial 30%	G&A (\$/bbl)	10.0%
	Net Debt to last 12-Months EBITDA ⁽¹⁾	10.0%
	Adjusted Funds Flow per share (\$/Share) ⁽²⁾	10.0%
		30%
Operational 30%	Production (bpd)	12.5%
	Non-energy Opex (\$/bbl)	12.5%
	Capital (\$mm)	5.0%
		30%
Strategic 15%	ESG Initiatives	4.0%
	Inclusion & Diversity	4.0%
	Technology Development	4.0%
	Enhance Ability to Refinance / Repay Debt	3.0%
		15%

Notes:

- (1) Net Debt to last 12-Months EBITDA is a non-GAAP measure with no standardized definition under IFRS and therefore may not be comparable to similar measures presented by other companies. See “*Advisories – Non-GAAP Financial Measures*” for further details.
- (2) Adjusted funds flow is defined in Note 26 of the annual 2020 financial statements. See “*Advisories – Non-GAAP Financial Measures*” for further details.

Individual Performance of CEO

Commencing in 2019, the Corporation adopted CEO objectives which are fully transparent to both employees and Shareholders. The purpose of the CEO objectives is to set and ensure alignment on the Corporation’s strategic objectives across the organization. The CEO’s objectives for 2020, which were primarily focused on the Corporation’s strategic focus of improving cost efficiencies, improving balance sheet strength and enhancing the Corporation’s competitive position, are set out in the following table, together with the 2020 results.

2020 Objectives	2020 Targets	2020 Results
Health, Safety & Environment	Safe and reliable operations	✓ Met and exceeded H&S targets with no COVID-19 outbreaks in 2020
Refinance Long Term Debt	Refinance 2023 & 2024 notes at first opportunity	✓ US \$1.2 billion refinanced in January 2020
Absolute Debt Reduction	Utilize all free cash flow to reduce debt; \$500mm target as part of “3x500” debt reduction program	✓ Reduced debt by \$132 million with no increase in long-term debt and revolver remains undrawn
ESG & Net Zero	Significantly improve scores from rating agencies Advance multiple technology solutions; set 2030 & 2050 carbon goals	✓ Ongoing commitment to transparent performance reporting and a target of net zero emissions by 2050
Inclusion & Diversity	Update and advance new policies and expectations/goals with respect to gender diversity and increasing direct Indigenous employment	In Progress
Continued Reduction in All Cost Structures	Continued emphasis alongside 3x500 debt reduction program	✓ Reductions across all cost structures.
External Influence	Proactively anticipate and influence industry response to external events and influences to align with the best interest of MEG	Ongoing

Mr. Evans’ 2020 individual performance rating as adopted by the Board was 180% out of 200%, resulting in a bonus award of \$792,000, or 132% of the target STI award opportunity (i.e. 80% weighted to 120% corporate performance rating and 20% to individual performance rating of 180%). No discretionary adjustment was made to the CEO’s annual STI award in 2020.

The 2021 CEO objectives, as approved by the Board in December 2020, are set out in the following table:

2021 Objectives	2021 Targets
Health, Safety & Environment	Safe and reliable operations in an ongoing COVID environment, with increased focus on mental health
Rebuild Production Levels to Optimize Plan Capacity	Utilize any free cash flow to return production levels to full plant capacity to increase cash flow and enhance ability to repay and refinance debt
Advance ESG	Continue to advance all aspects of ESG, including CO2 technology solutions, 2030 and 2050 targets, alignment with TCFD, 2021 ESG report and sustainable finance options
Human Capital Development	Complete execution against leadership development timeline
Enhance Ability to Refinance and Repay Debt	Continued focus on all cost structures, sale of non-core assets, optimization of term obligations all focused on maximizing cash flow
Leverage External Influence	Proactively anticipate and influence industry response to external events and influences to align with the best interest of MEG
Enhance Inclusion & Diversity Strategy	Continue to advance and measure impact and effectiveness of changes/policies. Advance Indigenous awareness training across organization, stand up I&D committee and complete employee survey

Individual Performance of other NEOs

STI awards for the NEOs, excluding the CEO, are recommended by the CEO, reviewed by the HCCC and adjusted as appropriate and recommended to the Board for approval. The actual STI awards to each NEO are set out fully under the heading “*Summary Compensation Table – NEOs*”. Individual ratings for NEOs, other than the CEO, ranged from 150% to 180% out of 200%, resulting in annual performance bonus awards of 59% to 81% of base salary. No discretionary adjustments were made to the annual STI award for any NEO in 2020.

Measuring 2020 Performance for Long-Term Incentive Compensation

PSUs issued to executives cliff vest on the third anniversary of the grant date and settle only on achievement of specified levels of performance as measured against defined performance targets established on an annual basis. For the 2018 performance year, the Board approved the following performance measures and weightings:

2018 Performance Measures	Weighting
Production	20%
Non-Energy Operating Costs (“NEOC”)	20%
Total Shareholder Return (TSR) relative to Performance Peer Group	60%

For the 2019 performance year, the Board adjusted the PSU performance measures to reflect the shift in corporate priorities away from growth and towards capital restraint and sustainability, resulting in the following PSU performance measures and weightings being approved:

2019 Performance Measures	Weighting
G&A	20%
Non-Energy Operating Costs (“NEOC”)	20%
Total Shareholder Return (TSR) relative to Performance Peer Group	60%

For the 2020 performance year, the Board adjusted the PSU performance measures to further reflect the shift in corporate priorities away from growth and towards cost efficiencies and debt repayment, resulting in the following PSU performance measures and weightings being approved:

2020 Performance Measures							Weighting		
Debt Repayment							20%		
Non-Energy Operating Costs ("NEOC")							20%		
Total Shareholder Return (TSR) relative to Performance Peer Group							60%		

For each measure, the Board has approved threshold, target and maximum levels of performance that result in a multiplier of zero to two times the number of PSUs granted becoming eligible to vest after the end of each performance period. PSUs that do not become eligible to vest at the end of an annual performance period will not ultimately vest or become eligible to vest in subsequent periods in the three-year vesting period of the PSU and are canceled.

The table below provides detailed information with respect to PSU performance measures and calculations for the 2018, 2019 and 2020 performance years:

Year	Measure	Weighting	Threshold	Target ⁽⁴⁾	Maximum	Actual	Evaluation Timing	Unweighted Multiplier	Weighted Multiplier
2018	Production	20%	83,000	85,000-88,000	90,000	90,000 ⁽¹⁾	Q1 2019	2.0	0.4
	NEOC	20%	\$5.50	\$4.75-\$5.25	\$4.50	\$4.50 ⁽¹⁾	Q1 2019	2.0	0.4
	Relative TSR	60%	P0	P50	>P75	>P75 ⁽²⁾	Q1 2019	2.0	1.2
2018 PSU Multiplier:									2.0
2019	G&A (\$/bbl)		\$2.25	\$2.15-\$2.05	\$1.95				
	G&A Adjusted for Production Curtailment	20%	\$2.29	\$2.19-\$2.08	\$1.98	\$1.99	Q1 2020	1.97	0.39
	NEOC		\$5.50	\$4.75-\$5.25	\$4.50				
	NEOC Adjusted for Curtailment	20%	\$5.58	\$4.82-\$5.32	\$4.56	\$4.61	Q1 2020	1.83	0.37
	Relative TSR	60%	P25	P50	P75	>P75 ⁽³⁾	Q1 2020	2.0	1.2
2019 PSU Multiplier:									1.96
2020	Debt Repayment	20%	\$nil	\$130M	\$500M	\$132M	Q1 2021	1.02	0.2
	NEOC (\$/bbl)	20%	\$4.80	\$4.60	\$4.40	\$4.38	Q1 2021	2.00	0.4
	Relative TSR	60%	P25	P50	P75	P61	Q1 2021	1.44	0.86
2020 PSU Multiplier:									1.46

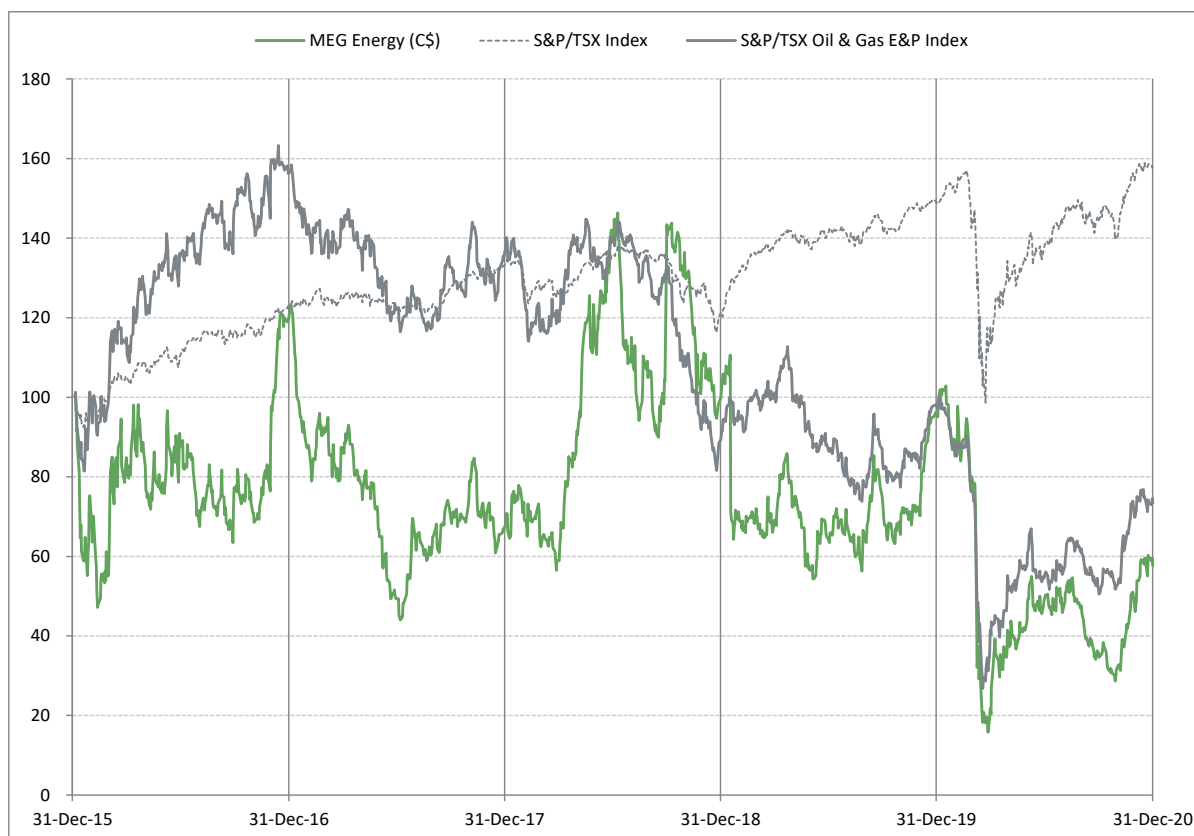
Notes:

- (1) The evaluated results for production and NEOC exclude the effects of year end turnaround activities that were advanced from 2019 to 2018 to take advantage of market conditions. The Board did not want to penalize management for taking actions that were in the best interest of the organization and its Shareholders.
- (2) In evaluating TSR results for 2018, the Board considered that the Corporation achieved top quartile (i.e. above P75) relative TSR performance in 2018, leading the Performance Peer Group both before and after Husky's bid announcement.
- (3) In evaluating TSR results for 2019, the Board considered the period from January 17, 2019, the date the Husky Energy Inc. bid was withdrawn, to December 31, 2019.
- (4) The target ranges for production, NEOC and G&A align with guidance ranges publicly disclosed by the Corporation.

The Corporation's debt repayment of \$132 million in 2020 exceeded the threshold range resulting in a multiplier of 1.02 for the first PSU performance measure. Average NEOC of \$4.38 per barrel for 2020 outperformed the range of guidance resulting in a multiplier of 2.00 for the second PSU measure. The Corporation's TSR performance for 2020 also outperformed its peers and was at the 61st percentile level resulting in a multiplier of 1.44 for the third PSU measure. Applying weightings (20%, 20%, 60%) resulted in an overall PSU multiplier of 1.46 in respect of the 2020 performance year.

Performance Graph

The following graph compares the cumulative total shareholder return ("TSR") for the Corporation on the TSX, of \$100.00 invested in Shares over the five year period beginning January 1, 2016 and ending December 31, 2020, with \$100.00 also invested in each of the TSX Oil and Gas E&P Index ("Energy Index") and the S&P/TSX Composite Index ("Composite Index") over the same period.



	MEG (TSX) (\$)	TSX Oil & Gas E&P Index (\$)	S&P/TSX Composite Index (\$)
January 4, 2016	100.00	100.00	100.00
December 31, 2016	119.56	156.17	121.86
December 31, 2017	66.58	134.95	132.94
December 31, 2018	99.87	89.36	121.13
December 31, 2019	95.73	98.25	148.84
December 31, 2020	57.64	73.42	157.17

TSR for the S&P/TSX Composite Index outperformed both the Corporation's Shares and the Energy Index over the five-year period. The Corporation's Shares underperformed both indices through 2016 and 2017 and has performed similar to the Energy Index since then. Both the Corporation's Shares and the Energy Index have underperformed relative to the Composite Index since 2016.

A significant proportion of the NEOs compensation consists of variable or "at risk" compensation and is designed to enhance the alignment of executive compensation and the long-term Shareholder experience. See *"Total Direct Compensation – Pay Opportunity vs. Realized/Realizable Pay"*.

COMPENSATION OF NAMED EXECUTIVE OFFICERS

The President and CEO, the CFO each of the three most highly compensated executive officers during 2020 (other than the CEO and the CFO), and any additional individual for whom disclosure would have been provided except that the individual was not serving as an executive officer at the end of the Corporation's most recently completed financial year-end, are collectively referred to as the NEOs. The NEOs for the year ended December 31, 2020, are as follows:

Name	Position
Derek W. Evans	President and Chief Executive Officer
Eric L. Toews	Chief Financial Officer
Chi-Tak Yee	Chief Operating Officer
Lyle S. Yuzdepski	Senior Vice President, Legal & General Counsel and Corporate Secretary
Jeremy J. Gizen	Vice President, Production Operations & Engineering

Summary Compensation Table – NEOs

The following table sets out the compensation paid by the Corporation to the NEOs during the years ended December 31, 2018, December 31, 2019 and December 31, 2020.

Total NEO compensation for 2020 of \$9.3 million, as a percentage of 2020 revenue of \$2,292 million, based on the Corporation's audited annual financial statements, is 0.4%.

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾⁽³⁾⁽⁴⁾ (\$)	Option-Based Awards ⁽³⁾⁽⁵⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation ⁽⁶⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans		
Derek W. Evans⁽⁷⁾⁽⁸⁾ President & CEO	2020	525,000	2,160,002	-	792,000	-	84,371	3,561,373
	2019	600,000	1,599,938	399,989	1,032,000	-	93,581	3,725,508
	2018	234,091	1,800,004	-	407,500	-	66,897	2,508,492
Eric L. Toews⁽⁹⁾ CFO	2020	389,658	1,011,007	-	341,214	-	68,634	1,810,513
	2019	421,252	842,475	210,837	439,155	-	72,425	1,986,144
	2018	421,252	1,011,015	852,983	435,364	-	232,568	2,953,182
Chi-Tak Yee⁽⁹⁾ COO	2020	392,334	1,017,950	-	343,558	-	67,303	1,821,145
	2019	424,145	848,261	212,143	442,171	-	71,120	1,997,840
	2018	424,145	1,257,852	914,561	438,354	-	294,702	3,329,614
Lyle S. Yuzdepski⁽¹⁰⁾ SVP, Legal & General Counsel	2020	288,732	512,003	-	235,568	-	53,356	1,089,659
	2019	-	-	-	-	-	-	-
	2018	-	-	-	-	-	-	-
Jeremy J. Gizen VP, Production Operations & Engineering	2020	298,469	431,817	-	188,607	-	56,890	975,783
	2019	291,200	300,898	75,243	214,250	-	54,472	936,063
	2018	291,200	349,453	87,749	204,553	-	87,937	1,020,892

Notes:

- (1) As a result of the COVID-19 pandemic and the associated collapse in world oil demand and oil prices, effective June 1, 2020, the Board implemented salary rollbacks across the organization: 25% for the CEO, 15% for the CFO and COO, 12% for other executives and 7.5% for all other employees. These rollbacks were lifted by the Board effective December 1, 2020. Accordingly, the 2020 salaries reflect six months of unreduced salaries and six months of reduced salaries.
- (2) All Share-based awards were granted pursuant to the DSU Plan in the form of DSUs (CEO only in respect of 2018) or RSU Plans in the form of RSUs or PSUs. The fair values of the Share-based awards shown were calculated by multiplying the total number of units granted to each NEO on the grant date by the volume weighted average price of the Shares for the five trading days prior to the grant date. For the purposes of the above table, PSUs were valued at an assumed performance factor of 1.0. The target values of the 2020 LTI awards granted to the NEOs on April 1, 2020 were reduced by 20% in view of the impacts of the COVID-19 pandemic.

- (3) In 2019, the Corporation changed the annual long-term incentive program date from June to April to align with the timing of the annual compensation cycle (salary and bonus program recommendations). To accommodate this change in the compensation cycle, the 2019 grant is a 10-month grant to reflect the earlier vesting schedule (April 1, 2020, 2021, and 2022 instead of June 1, 2020, 2021 and 2022).
- (4) In 2020, the fair values of the Share-based awards on the grant date were as follows:

Name	PSUs	RSUs	Total Share-Based Awards*
Derek W. Evans	\$1,080,001	\$1,080,001	\$2,160,002
Eric L. Toews	\$505,503	\$505,503	\$1,011,007
Chi-Tak Yee	\$508,975	\$508,975	\$1,017,950
Lyle Yuzdepski	\$256,001	\$256,001	\$512,003
Jeremy J. Gizen	\$215,908	\$215,908	\$431,817
*numbers may not add due to rounding			

- (5) The fair values of the Option-based awards shown were calculated by applying Black Scholes methodology to the total number of Options granted to each NEO on each grant date. The key assumptions used in calculating the estimated fair value under the Black Scholes option pricing model are shown in the following table.

Year	Black Scholes Value	Grant Price	Volatility	Expected Life	Interest Rate
2020	n/a	n/a	n/a	n/a	n/a
2019	\$2.6126	\$4.57	68.60%	1,825 days	1.335%
2018	\$4.3962	\$8.24	61.22%	1,825 days	2.222%
2018	\$5.1315	\$9.63	61.22%	1,825 days	2.165%

- (6) The aggregate value of perquisites received by NEOs includes parking allowances, perquisite allowances, medical benefits, vacation pay, and savings plan contributions made by the Corporation on behalf of the NEOs. Savings plan contributions are available to all employees under the same terms as those provided to NEOs. Vacation pay is available to all employees however vacation entitlement varies among employees. The Corporation had been carrying accrued vacation as a liability on its balance sheet until December 2018 when it removed such liability by paying out accrued vacation amounts. The 2018 Vacation payouts were as follows: Mr. Evans \$28,846, Mr. Toews \$160,395, Mr. Yee \$225,127 and Mr. Gizen \$31,920. Savings plan contributions for NEOs amounted to 12% of salary. The 2020 savings plan benefit values were as follows: Mr. Evans \$63,000, Mr. Toews \$46,759, Mr. Yee \$47,080, Mr. Yuzdepski \$34,641 and Mr. Gizen \$35,816.
- (7) On October 16, 2018, the Board, on the recommendation of the Compensation Committee (now the HCCC) and counsel, agreed with Mr. Evans to provide a contingent bonus arrangement in satisfaction of the LTI target value of \$1.8 million (the "2018 LTI Target") that was promised to Mr. Evans in his offer of employment. The contingent bonus arrangement provided that Mr. Evans would receive, on the first to occur of: (i) in the event of a change of control prior to June 1, 2019 at a price of not less than \$11.00 per Share, the 2018 LTI Target in cash plus an additional payment equal to \$400,000 for each additional \$1.00 per Share above \$11.00 per Share payable on such change of control (pro-rated on a straight line basis to the actual per Share amount), or (ii) in the event there is no change of control at a price in excess of \$11.00 per Share on or before June 1, 2019, a discretionary cash bonus reflecting Mr. Evans' contributions during his first year, with a target bonus level equal to the 2018 LTI Target. Following the unsuccessful offer by Husky Energy to acquire all of the issued and outstanding Shares of the Corporation, the Board and Mr. Evans mutually agreed that such contingent bonus arrangement should be terminated. In connection with the termination of the contingent bonus arrangement, and in satisfaction of the his 2018 LTI Target, Mr. Evans was issued DSUs, under the Corporation's existing DSU Plan, having a grant value of \$1.8 million, on May 17, 2019.
- (8) Mr. Evans was appointed as the Corporation's President and Chief Executive Officer on August 10, 2018. Therefore, his 2018 compensation represents payment for approximately 5.5 months of the year.
- (9) In 2018, Mr. Toews and Mr. Yee each received a special retention Option award in recognition of their commitment to the Corporation during a transformational year for the Corporation. Such grants were unique for the Corporation in 2018 and were approved by the Board in response to the challenges inherent in a CEO transition process.
- (10) Mr. Yuzdepski was appointed as the Corporation's SVP, Legal & General Counsel on January 15, 2020 and, accordingly, his 2020 compensation represents payment for approximately 11.5 months of the year.
- (11) The Corporation does not currently provide for, or contribute to, either a defined benefit plan or defined contribution plan on behalf of its NEOs.

Total Direct Compensation – Pay Opportunity vs. Realizable/Realized Pay

NEO compensation is weighted towards variable or "at risk" compensation (STI and LTI compensation), where actual amounts earned may differ from granted amounts based on Corporation and individual performance. The HCCC believes that a program weighted towards compensation that is variable with performance, including performance of the Shares, ensures that NEO interests are aligned with Shareholder interests. Furthermore, because LTI awards are subject to time-based vesting, the compensation an NEO realizes in connection with LTI awards is spread over three years, which the HCCC also believes assists in aligning NEO interests with the long-term interests of Shareholders.

While the amounts shown in the "Summary Compensation Table – NEOs" above reflect the grant-date value of the LTI awards received by an NEO, they do not reflect the impact of Share price performance on compensation. The compensation actually realizable, or realized, by the individual may be considerably more or less based on actual Share price performance (both absolute performance and performance relative to the Corporation's Performance Peer Group reflecting the mix of LTI awards) over the three-year vesting period applicable to each annual grant.

Comparing TDC Opportunity to TDC Realizable/Realized Value

The charts below show the difference between the grant-day pay opportunity of TDC, targeted as a cash value at the grant date (base salary, STI and LTI), and the combined Realized Pay and Realizable Pay (of which the RSU, PSU and Option components vary with the price of Shares and also corporate performance measures in respect of PSUs) for (i) the Corporation's CEO for each calendar year since the date of his appointment and (ii) the Corporation's NEOs (other than the CEO) for the period 2016 to 2020. The differences in TDC and the combined Realized Pay and Realizable Pay primarily reflect the volatility in the price of Shares as it impacts LTI values.

"Total Direct Compensation" or "TDC" means the amount shown in the "Total Compensation" column of the "Summary Compensation Table", excluding the amounts shown in the "All Other Compensation" column.

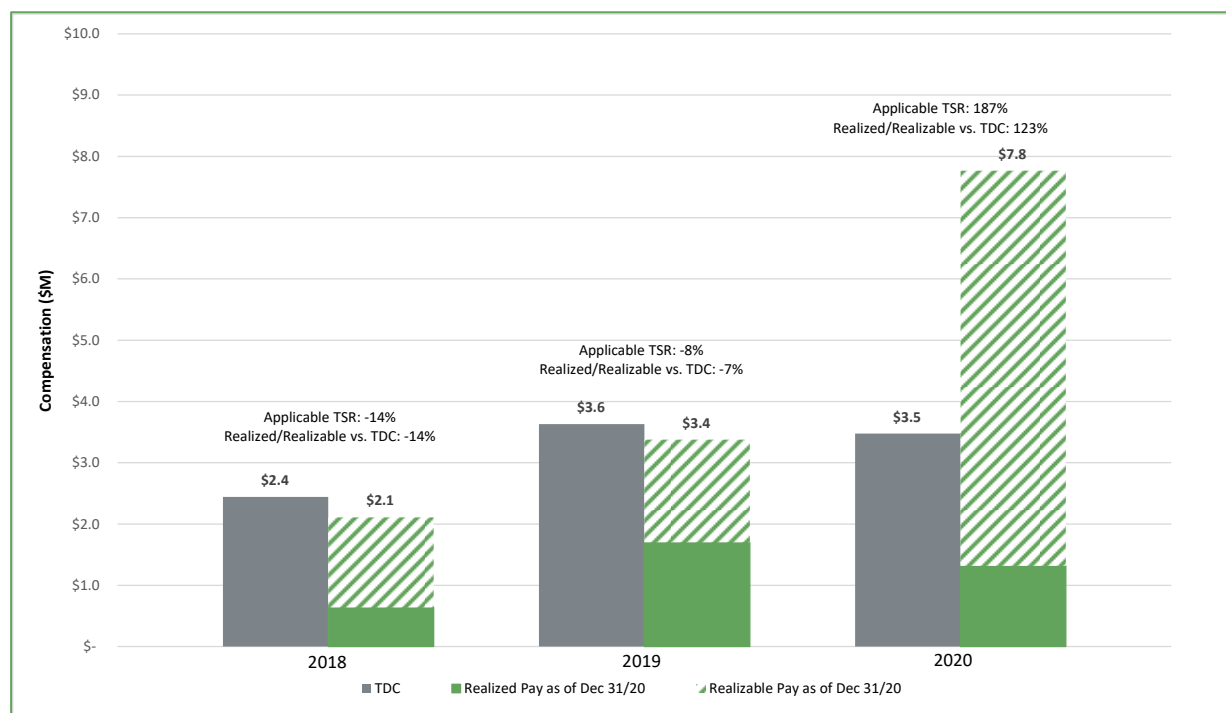
"Realizable Pay" means the sum of unvested RSUs, unvested PSUs, vested DSUs (which are not settled until the holder leaves the Corporation's Board) and "in the money" Options granted during the measurement period, in each case calculated using the price of the Shares at December 31, 2020. Realizable pay assumes that LTI awards vest 100% upon grant and, in the case of PSUs, at a performance factor of 1.0 or at the relevant performance factor (between 0 and 2.0) for those years within the three-year vesting period applicable to PSUs where the performance factor has been determined.

"Realized Pay" means the sum of (1) base salary, (2) actual annual STI received by the CEO or NEOs, as applicable, and (3) actual payout amount of vested RSUs, vested PSUs and gains from Option exercises.

"Applicable TSR" means, with respect to the compensation received by the CEO or the NEOs, as applicable, for a given calendar year, the cumulative total shareholder return for the Corporation on the TSX over the period commencing on the grant date of the LTI award received by the CEO or NEOs in such year and ending on the earlier of (a) three-year vest date applicable to such LTI award and (b) December 31, 2020 where such LTI award has not yet fully vested.

CEO

The following chart illustrates the significance of variable or "at risk" compensation and the direct correlation between the CEO's Realizable Pay and Realized Pay in each calendar year and the Applicable TSR over the three-year vesting period applicable to the LTI award (or the portion of such three-year period where such LTI award has not yet fully vested) received by the CEO in such calendar year:



Notes:

- (1) Mr. Evans was appointed as CEO on August 10, 2018. Therefore, his 2018 compensation represents payment for approximately 5.5 months of the year.
- (2) In response to the COVID-19 pandemic and reduction in global oil prices, and the impact on the Corporation's Share price, the Corporation reduced 2020 LTI awards by twenty percent (20%), eliminated the use of stock options in the 2020 LTI mix and reduced employee salaries.

as follows: twenty-five percent (25%) for CEO, fifteen percent (15%) for CFO and COO, twelve percent (12%) for all other executives, and seven and a half percent (7.5%) for all other employees.

- (3) Applicable TSR has been calculated for each LTI calendar year as follows:

Compensation Year	Grant Date ⁽ⁱ⁾	Grant Date Share Price ⁽ⁱⁱ⁾	Period End Date ⁽ⁱⁱⁱ⁾	Period End Share Price ⁽ⁱⁱ⁾	Applicable TSR	Relative TSR (Percentile) ^(iv)
2018	May 17, 2019	\$5.22	December 31, 2020	\$4.50	-14%	100
2019	June 14, 2019	\$4.91	December 31, 2020	\$4.50	-8%	96
2020	April 1, 2020	\$1.57	December 31, 2020	\$4.50	187%	61

(i) Grant Date is the date on which the CEO received his annual LTI award in the applicable calendar year, except with respect to 2018, in which the LTI award was delayed to May 17, 2019 due to the extended blackout period associated with the unsuccessful offer by Husky Energy to acquire all of the issued and outstanding Shares.

(ii) The volume weighted average price of the Shares on the Grant Date or Period End Date, as applicable.

(iii) Period End Date is the earlier of (i) the date on which the LTI award for a calendar year vests (generally three years from the date of grant), and (ii) December 31, 2020 where such LTI award has not yet vested.

(iv) Relative TSR percentile is based on calendar years. For the 2018 and 2019 calendars years, excludes the impact of the Husky bid.

NEOs (excluding CEO)

The following chart illustrates the significance of variable or “at risk” compensation and the direct correlation between the average compensation of the Corporation’s NEOs (excluding CEO) and the Applicable TSR over the three-year vesting period applicable to the LTI awards (or the portion of such three-year period where such LTI awards have not yet fully vested) received by the NEOs on average in such calendar year:



Notes:

- (1) In response to the COVID-19 pandemic and reduction in global oil prices, and the impact on the Corporation’s Share price, the Corporation reduced 2020 LTI awards by twenty percent (20%), eliminated the use of stock options in the 2020 LTI mix and reduced employee salaries as follows: twenty-five percent (25%) for CEO, fifteen percent (15%) for CFO and COO, twelve percent (12%) for all other executives, and seven and a half percent (7.5%) for all other employees.
- (2) TSR has been calculated for each period as follows:

Compensation Year	Grant Date ⁽ⁱ⁾	Grant Date Share Price ⁽ⁱⁱ⁾	Period End Date ⁽ⁱⁱⁱ⁾	Period End Share Price ⁽ⁱⁱ⁾	Applicable TSR	Relative TSR (Percentile) ^(iv)
2016	June 2, 2016	\$5.86	June 3, 2019	\$4.35	-26%	0
2017	June 15, 2017	\$4.19	April 1, 2020	\$1.57	-63%	61
2018	June 14, 2018	\$9.72	December 31, 2020	\$4.50	-54%	100
2019	June 14, 2019	\$4.91	December 31, 2020	\$4.50	-8%	96
2020	April 1, 2020	\$1.57	December 31, 2020	\$4.50	187%	61

- (i) Grant Date is the date on which NEOs received annual LTI awards in the applicable calendar year.
- (ii) The volume weighted average price of the Shares on the Grant Date or Period End Date, as applicable.
- (iii) Period End Date is the earlier of (i) the date on which the LTI award for a calendar year vests (generally three years from the date of grant) and (ii) December 31, 2020 where such LTI award has not yet vested.
- (iv) Relative TSR percentile is based on calendar years. For the 2018 and 2019 calendars years, excludes the impact of the Husky bid.

Outstanding Share-Based and Option-Based Awards - NEOs

The following table sets forth information regarding all Options, RSUs and DSUs held by each NEO as of December 31, 2020.

	Option-Based Awards				Share-Based Awards		
	Number of Shares Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not Vested ⁽²⁾ (#)	Market or Payout Value of Share-based Awards that have not Vested ⁽³⁾ (\$)	Market or Payout Value of Vested Share-based Awards not Paid out or Distributed (\$) ⁽³⁾⁽⁴⁾
Derek W. Evans President & CEO	153,100	4.57	June 14, 2026	-	RSUs: 812,357 PSUs: 1,013,662	RSUs: 3,614,989 PSUs: 4,510,796	DSUs: 1,467,036
Total	153,100	-	-	-	1,826,019	\$8,125,785	\$1,467,036
Eric L. Toews Chief Financial Officer	57,500	37.89	June 12, 2021	-	RSUs: 398,476	RSUs: 1,773,218	-
	92,400	18.65	June 11, 2022	-	PSUs: 599,836	PSUs: 2,669,270	-
	86,500	6.52	June 29, 2023	-			-
	107,900	4.53	June 15, 2024	-			-
	49,300	9.63	June 14, 2025	-			-
	136,482	8.24	August 27, 2025	-			-
	80,700	4.57	June 14, 2026	-			-
Total	610,782	-	-	-	998,312	\$4,442,488	-
Chi-Tak Yee Chief Operating Officer	61,400	37.89	June 12, 2021	-	RSUs: 404,326	RSUs: 1,799,251	-
	92,100	18.65	June 11, 2022	-	PSUs: 629,697	PSUs: 2,802,152	-
	84,900	6.52	June 29, 2023	-			-
	105,900	4.53	June 15, 2024	-			-
	61,300	9.63	June 14, 2025	-			-
	136,482	8.24	August 27, 2025	-			-
	81,200	4.57	June 14, 2026	-			-
Total	623,282	-	-	-	1,034,023	\$4,601,402	-
Lyle S. Yuzdepski SVP, Legal & General Counsel and Corporate Secretary	-	-	-	-	RSUs: 171,813 PSUs: 171,813	RSUs: 764,568 PSUs: 764,568	-
Total	-	-	-	-	343,626	\$1,529,136	-
Jeremy J. Gizen Vice President, Production Operations & Engineering	20,200	37.89	June 12, 2021	-	RSUs: 165,902	RSUs: 738,264	-
	33,700	18.65	June 11, 2022	-	PSUs: 236,721	PSUs: 1,053,408	-
	9,167	6.52	June 29, 2023	-			-
	25,334	4.53	June 15, 2024	-			-
	17,100	9.63	June 14, 2025	-			-
	28,800	4.57	June 14, 2026	-			-
Total	134,301	-	-	-	402,623	\$1,791,672	-

Notes:

- (1) The closing price of the Shares on December 31, 2020 was \$4.45 per Share.
- (2) Includes RSUs and PSUs granted under the cash-settled RSU Plan and RSUs and PSUs granted under the treasury-settled RSU Plan. PSUs that are not yet eligible to vest are valued at an assumed performance factor of 1.0. PSUs that have become eligible to vest are valued at the relevant performance factor.

- (3) “Market or Payout Value” is calculated by multiplying the total number of RSUs, PSUs and DSUs held by each NEO by the December 31, 2020 closing price of the Shares on the TSX (\$4.45).
- (4) Mr. Evans was granted 329,671 DSUs on May 17, 2019 (see “Summary Compensation Table – NEOs”) under the current DSU Plan.

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

The following table sets forth information in respect of the value of Options and Share-based awards held by the NEOs of the Corporation that vested during the year ended December 31, 2020 and non-equity incentive plan compensation earned by such NEOs during the year ended December 31, 2020. No options were exercised by NEOs during the year ended December 31, 2020 and 888,422 options expired during 2020.

	Value Vested During Year		
	Option-Based Awards	Share-Based Awards	Non-Equity Incentive Plan Compensation
Derek W. Evans , President & CEO	-	\$69,017	\$792,000
Eric L. Toews , Chief Financial Officer	-	\$465,567	\$341,214
Chi-Tak Yee , Chief Operating Officer	-	\$463,261	\$343,558
Lyle S. Yuzdepski , SVP, Legal & General Counsel and Corporate Secretary	-	-	\$235,568
Jeremy J. Gizen , Vice President, Production Operations & Engineering	-	\$163,839	\$188,607

Executive Share Ownership Guidelines

The Corporation’s executive share ownership guidelines provide that each executive is to own and maintain Shares, DSUs, unvested RSUs and unvested PSUs equal in value to the following amount:

Participant	Ownership Level
CEO	5x base salary
CFO, COO and SVPs	3x base salary
VPs	2x base salary

The executives are required to achieve the required ownership level within a five-year period, commencing the first year the executive is appointed, or 2018 for the current CEO and 2019 for executives who were in their current positions at such time, with a minimum of one-fifth of the ownership requirement being attained by the end of each of the five years. Compliance will be determined based on a valuation at the end of each calendar year.

If an executive’s share ownership requirement is increased as a multiple of the executive’s salary or due to the executive being promoted, the executive’s initial obligation to acquire the stipulated amount within five years of his or her initial appointment continues, but the executive will have an additional three-year period from the date of transfer or promotion, to meet the additional share ownership requirement.

Each executive must (a) retain in Shares the after-tax proceeds, net of the exercise price, received on the exercise of Options, (b) retain in Shares the after-tax proceeds received on the settlement of treasury-settled RSUs and PSUs, (c) use the after-tax proceeds received on the settlement of cash-settled RSUs and PSUs to purchase Shares on the market, and (d) retain all Shares owned by the executive until the target ownership level (or the applicable level for an executive who was appointed for less than five years) is met. Provided the target ownership level is maintained, the executive may sell Shares or retain cash from any cash-settled LTI awards.

The value of Shares, DSUs, RSUs and PSUs in each executive’s qualifying holdings is determined as follows: (a) the value of Shares is equal to the greater of the actual purchase price and the closing price of Shares on the TSX on the date of valuation; (b) the value of DSUs is equal to the greater of the value of the DSUs at the date of issue and the closing price of Shares on the date of valuation; (c) the value of unvested RSUs is equal to the greater of the value of the RSUs at the date of issue and the closing price of Shares on the TSX on the date of valuation; and (d) the value of unvested PSUs is equal to the greater of the value of the PSUs at date of issue and the closing price of Shares on the date of valuation and assuming a performance multiplier of 1.0. No value is ascribed to options in defining qualifying holdings.

If an executive does not meet the share ownership guidelines by the required date or does not continue to meet the guidelines following the required date, the GNC will review the reasons why this has occurred. The GNC will then recommend to the Board a course of action. The Board in its discretion will determine the action to be taken, if any. Some of the factors to be considered by the GNC in its review include: market condition; whether, as a result of the unique financial circumstances of the individual, compliance would result in an unacceptable hardship; and any other relevant reason for why the guidelines have not been met.

The following table sets forth the share ownership guidelines and the value of the beneficial shareholdings of the NEOs at December 31, 2020, unless otherwise noted.

	Share Ownership Guideline	As at December 31, 2020		Complies with Guidelines
		Total Value of Equity Investment ⁽¹⁾ (\$)	Current Ownership (Multiple of Base Salary)	
Derek W. Evans , President & CEO	5x base salary	11,188,445	18.6x	Yes
Eric L. Toews , Chief Financial Officer	3x base salary	5,254,052	12.5x	Yes
Chi-Tak Yee , Chief Operating Officer	3x base salary	5,714,605	13.5x	Yes
Lyle S. Yuzdepski , SVP, Legal & General Counsel and Corporate Secretary	3x base salary	1,529,136	4.8x	Yes
Jeremy J. Gizen , Vice President, Production Operations & Engineering	2x base salary	1,795,493	5.7x	Yes

Note:

- (1) "Total Value of Equity Investment" is calculated according to the share ownership guidelines as noted above using the greater of acquisition cost or current market value.

LONG-TERM EQUITY INCENTIVE PLANS

Stock Option Plan

The Corporation has an Option Plan which authorizes the Board to grant Options to officers and employees of, and consultants to, the Corporation and any of its subsidiaries. The Option Plan also governs Options granted to directors of the Corporation or any of its subsidiaries prior to June 2, 2016 (such officers, employees, consultants and such directors, only in respect of Options granted prior to June 2, 2016, each individually a "Service Provider" and collectively "Service Providers"). The purpose of the Stock Option Plan is to provide an effective long-term incentive for the Service Providers from time to time.

The material terms of the Option Plan are summarized in Appendix B.

Number of Options Outstanding

As of December 31, 2020, a total of 4,676,094 Options held under the Option Plan remained outstanding (representing approximately 1.54% of the outstanding Shares). During 2020, 888,422 options expired unexercised. See "Securities Authorized for Issuance Under Security-Based Compensation Plans" below.

Share-Based Plans

DSU Plan

The DSU Plan authorizes the Board to grant DSUs to directors (individually a "Participant" and collectively "Participants") of the Corporation or any of its affiliates (the "Corporate Group"). The purpose of the DSU Plan is to provide directors with the opportunity to be credited with DSUs thereby allowing them to participate in the long-term success of the Corporation and promoting a greater alignment of interests between the directors and Shareholders. In addition, the DSU Plan provides a compensation system for directors that, together with the other director compensation mechanisms of the Corporation, are reflective of the responsibility, commitment and risk

accompanying Board membership and the performance of the duties required of the various committees of the Board.

The material terms of the DSU Plan are summarized in Appendix B.

RSU Plans

The Corporation has a treasury-settled RSU Plan as well as a cash-settled RSU plan. The RSU Plans are identical except that the cash-settled RSU Plan does not permit the settlement of awards through the issuance of Shares from treasury. The RSU Plans authorize the Board to grant RSUs to directors, officers and employees of, and consultants to, the Corporation and any of its subsidiaries (individually a "Participant" and collectively "Participants"). RSUs also may be granted under the RSU Plans as PSUs, to the extent performance conditions, other than time, are attached. The purpose of the RSU Plans is to provide Participants with the opportunity to acquire a proprietary interest in the growth and development of the Corporation that will be aligned with the interests of Shareholders, to enable the creation of incentives for Participants to meet certain performance criteria that are aligned with the long-term interests of Shareholders, to associate a portion of the Participant's compensation with the returns of Shareholders over the medium term, and enhance the Corporation's ability to attract, retain and motivate key personnel and reward Participants for significant performance.

The material terms of the RSU Plans are summarized in Appendix B.

Number of DSUs Outstanding and Issuable

As of December 31, 2020, a total of 998,300 DSUs were outstanding under the DSU Plan. All outstanding DSUs were granted to independent directors, other than 329,671 DSUs issued to Mr. Evans in satisfaction of his 2018 LTI Target. DSUs may only be redeemed for cash or Shares acquired on the open market. No Shares have been reserved for issuance pursuant to the DSU Plan.

Number of Treasury-Settled RSUs Outstanding

As of December 31, 2020, a total of 6,531,875 treasury-settled RSUs were outstanding under the treasury-settled RSU Plan (being equal to approximately 2.16% of the outstanding Shares). Of the 6,531,875 treasury-settled RSUs outstanding 621,423 were granted as PSUs. See "*Securities Authorized for Issuance Under Security-Based Compensation Plans*" below.

Number of Cash-Settled RSUs Outstanding

As of December 31, 2020, a total of 8,130,967 cash-settled RSUs were outstanding under the cash-settled RSU Plan. Of the 8,130,967 cash-settled RSUs outstanding 3,133,020 were granted as PSUs.

In order to limit dilution to Shareholders, a significant portion of the 2020 LTI Grants was made under the Corporation's Cash-Settled Restricted Share Unit Plan (as opposed to its Treasury-Settled Restricted Share Unit Plan). Further, to limit the cost of its cash-settled LTI should the price of Shares increase substantially from the price of Shares on the date of the 2020 LTI Grants, the Corporation entered into an equity forward purchase agreement to fix the exposure of the Corporation under its cash-settled LTI for 2019 and 2020 at a price near the grant date value.

Options, RSUs, PSUs and DSUs Granted During the Year

No options were granted in 2020.

A total of 7,682,964 cash-settled RSUs were granted during the year ended December 31, 2020. Of those, 2,256,907 were cash-settled PSUs. A total of 4,535,336 RSUs treasury-settled RSUs (representing approximately 1.5% of the Shares outstanding as of December 31, 2020) were granted during the year ended December 31, 2020. No treasury-settled PSUs were granted in 2020. All of the RSUs granted in 2020 are scheduled to vest at a rate of one-third on each of April 1, 2021, April 1, 2022 and April 1, 2023.

A total of 352,500 DSUs were granted during the year ended December 31, 2020. All of the DSUs granted in 2020 to Canadian directors will be redeemed pursuant to the terms of the DSU Plan on the earlier of (a) December 15 of the first calendar year starting after the date on which such participant ceases to be a director of the Corporation, and (b) the fifth business day following each of the redemption dates elected by such participant (a participant may elect up to two redemption dates under the DSU Plan). All of the DSUs granted in 2020 to US directors will be redeemed

pursuant to the terms of the DSU Plan on the date on which a US Participant ceases to be a director of the Corporation.

The expiry dates of certain Option-based awards and Share-based awards held by an executive were amended in 2021 to allow such awards to continue to vest for a period of three years following the date the executive ceases to be employed by the Corporation. These amendments were approved by the TSX. See *"Termination and Change of Control Benefits"*.

Impact on Equity

The following tables describe equity burn rate trends and maximum potential share dilution for the Shares as at December 31, 2020.

2018		Awards	WACSO ⁽¹⁾	Burn Rate
Option Plan		798,064	295,739,590	0.27%
Treasury-Settled RSU Plan	RSUs	2,554,026		0.86%
	PSUs ⁽²⁾	678,545		0.23%
	Total (RSUs+PSUs)	3,232,571		1.09%
2019		Awards	WACSO ⁽¹⁾	Burn Rate
Option Plan		682,911	298,513,365	0.23%
Treasury-Settled RSU Plan	RSUs	3,163,892		1.06%
	PSUs ⁽²⁾	-		0.00%
	Total (RSUs+PSUs)	3,163,892		1.06%
2020		Awards	WACSO ⁽¹⁾	Burn Rate
Option Plan		-	302,351,779	-
Treasury-Settled RSU Plan	RSUs	5,910,452		1.95%
	PSUs ⁽²⁾	621,423		0.21%
	Total (RSUs+PSUs)	6,531,875		2.16%

Notes:

- (1) Weighted Average Common Shares Outstanding (WACSO) over the fiscal year.
- (2) PSU awards are subject to a multiplier that ranges from 0-2x on vesting. See *"Components of Executive Compensation"* for more detail.

December 31, 2020 Maximum Potential Share Dilution

	Plan Maximum ⁽¹⁾	CSO ⁽²⁾	Outstanding Securities Awarded		Remaining Securities Available for Grant	
			Awards	% of CSO ⁽³⁾	Awards ⁽⁴⁾	% of CSO
Stock Option Plan	5.0%	302,681,283	4,676,094	1.54%	3,926,095	1.30%
Treasury-Settled RSU Plan			6,531,875	2.16%		

Notes:

- (1) The plan maximum is an aggregate maximum applicable to both plans and is defined for each plan as a percentage of Shares outstanding, less the Shares issuable pursuant to all other security-based compensation arrangements. In April 2019, the Corporation reduced the aggregate plan maximum from 6.0% to 5.0% of Shares outstanding.
- (2) Common Shares Outstanding (CSO) as at December 31, 2020.
- (3) Awards expressed as a percentage of CSO.
- (4) A maximum of 1.30% of CSO are available for issuance under all plans.

Termination and Change of Control Benefits

Change of Control Agreements

The Corporation has entered into change of control agreements and/or executive employment agreements (the "Change of Control Agreements") with its NEOs and other executives that provide for the payments set out below based upon a 2.0 multiplier for the CEO, CFO and COO and a 1.5 multiplier for other executives.

The Corporation's Change of Control Agreements require a 'double trigger' before payment of benefits is due, which means both a Change of Control and involuntary termination (including by way of constructive dismissal) must occur for any payment of benefits.

Pursuant to the Change of Control Agreements, the Corporation is obligated to pay compensation to an executive in the event of a Change of Control followed by termination of such executive's employment with the Corporation in the circumstances set out in the Change of Control Agreements and described below.

Change of Control Payments and Benefits

The Change of Control Agreements provide that if a Change of Control occurs, and within 180 days immediately following a Change of Control an event or events occur that constitute Good Reason, the executive shall have the right, for a period of 60 days following the event or events that constitute Good Reason to elect to terminate his or her employment with the Corporation upon providing the Corporation with seven days advance written notice of the termination date.

"Good Reason" is any material adverse change by the Corporation, without the agreement of the applicable executive, in the annual base salary or in any of the executive's duties, powers, rights, discretions, title or lines of reporting, such that immediately after such change or series of changes, the responsibilities and status of the executive, taken as a whole, are not at least substantially equivalent to those assigned to the executive immediately prior to such change.

If:

- (a) the executive terminates his or her employment with the Corporation following an event or events that constitute Good Reason that occurs within 180 days immediately following a Change of Control; or
- (b) the Corporation terminates the executive's employment with the Corporation other than for just cause within 180 days immediately following a Change of Control;

the Corporation shall pay the executive, within 15 business days of the termination date, a retiring allowance (the "Retiring Allowance") which, depending on the position held, consists of:

1. the executive's annual base salary as at the termination date multiplied by applicable multiplier; plus
2. an amount equal to the average of the annual bonus payments paid to the executive in the two full calendar years immediately preceding the termination date, as applicable, multiplied by applicable multiplier; plus
3. an amount equal to between five (5%) to fifteen (15%) percent of the executive's annual base salary as at the termination date multiplied by the applicable multiplier, to compensate the executive for the loss of benefits; plus
4. an amount equal to twelve (12%) percent of the executive's annual base salary as at the termination date, multiplied by the applicable multiplier, to compensate the executive for the loss of participation in the Corporation's savings plan; plus
5. an amount equal to the annual perquisite allowance of the executive as at the termination date, multiplied by the applicable multiplier, to compensate the executive for the loss of the annual perquisite allowance.

In exchange for payment of the Retiring Allowance, the executive is required to provide to the Corporation a full and final release, in a form satisfactory to the Corporation.

If the executive elects to terminate his or her employment with the Corporation within 60 days of an event or events that constitute Good Reason which in turn occurred within 180 days following the occurrence of a Change of Control, the executive shall, at the request of the Corporation, continue the executive's employment with the Corporation for a period of up to three months at the executive's then existing compensation package, including benefits, to assist the Corporation in an orderly transition. The amount paid to the executive in this regard will not reduce the Retiring Allowance to which the executive is entitled.

If the executive becomes entitled to payment of the Retiring Allowance, the applicable Change of Control Agreement will terminate immediately upon payment of the Retiring Allowance.

Employment Agreements

The Corporation has entered into written employment agreements with certain NEOs and other executives that provide for the payment of an amount equal to the Retirement Allowance in the event of a Change of Control in the circumstances described above under the heading *"Change of Control Agreements"* and *"Change of Control Payments and Benefits"*, and for the payment of an equivalent amount in the event that the executive is terminated without cause. For those NEOs and other executives who do not have written employment agreements with the Corporation, any specific payments to the NEO or executive whose employment is terminated would be determined at the time of termination in accordance with common law principles.

Employee Retirement Policy

The Corporation has a policy in place that governs the treatment of LTI on retirement (the "Employee Retirement Policy") applicable to all retiring employees pursuant to which participants in the Option Plan and/or RSU Plans, upon achieving both: (a) fifty-five years of age, and (b) five years of continuous service to the Corporation, are eligible to receive extended vesting and exercise rights for Options and RSUs (including PSUs) they hold at the time of the particular employee's retirement. Under the Employee Retirement Policy, applicable vesting and exercise rights are extended until the earlier of: (a) three years following the employee's retirement, and (b) the expiry of the term of such Options or RSUs.

LTI Change of Control Provisions

For Options and RSUs granted prior to June 13, 2019, the occurrence of an event of Change of Control or, for participants that are not US participants, the occurrence of a determination by the Board that a Change of Control is expected to occur, will result in Options vesting and becoming immediately exercisable and the immediate vesting and payout of all outstanding RSUs, provided that a participant's participation in the Option Plan or RSU Plans, as applicable, has not terminated before the Change of Control which would result in an earlier expiration date of such participant's Options or RSUs. Where RSUs impacted by such accelerated vesting and payout have been granted as PSUs, the multipliers to be applied to each PSU grant will be calculated using the multiplier that has already been determined in respect of PSUs that were eligible to vest prior to the occurrence of the Change of Control and by using a multiplier of 1.0 in respect of any PSUs that have not yet become eligible to vest as at the occurrence of the Change of Control. A determination by the Board that a Change of Control is expected to occur will not result in the vesting of any outstanding RSUs held by a US participant.

In respect of Options and RSUs granted on or after June 13, 2019, in the event of a Change of Control, and within one hundred and eighty (180) days of a Change of Control, a participant ceasing to be a participant as a result of involuntary termination, other than termination for cause, will result in all Options vesting and becoming immediately exercisable and the immediate vesting and payout of all RSUs. Where RSUs impacted by such accelerated vesting and payout have been granted as PSUs, the multipliers to be applied to each PSU grant will be: (i) in respect of one or more performance year(s) that is(are) complete at the time a change of control occurs, any multiplier(s) already determined and approved by the Board; (ii) in respect of a performance year during which a change of control occurs, a multiplier to be determined and approved by the Board based on satisfaction of performance criteria as at the time of occurrence of a change of control; and (iii) in respect of any performance year that has not yet begun as at the time a change of control occurs, a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i) if applicable and (ii). Where a Change of Control has occurred but a participant's PSUs have not been made subject to such accelerated vesting and payout, such PSUs will continue to vest and payout in accordance with the terms of the relevant grant agreement, provided however that the foregoing multipliers will apply in such circumstances.

In the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, the applicable Option Plan or RSU Plan is terminated by the Corporation, all outstanding Options will immediately vest and become exercisable and all RSUs will vest and be paid out effective as of the date of discontinuance of the applicable Plan. Where RSUs impacted by such accelerated vesting and payout have been granted as PSUs, the multipliers to be applied to each PSU grant will be: (i) in respect of a performance year that is complete at the time a change of control occurs, any multiplier already determined and approved by the Board; (ii) in respect of a performance year during which a change of control occurs, a multiplier to be determined and approved by the Board based on satisfaction of performance criteria as at the time of occurrence of a change of control; and (iii) in respect of any performance year that has not yet begun as at the time a change of control occurs, a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i) if applicable and (ii).

In respect of Options and in respect of RSUs granted prior to June 13, 2019 only, if the Board passes a resolution approving, or the Corporation enters into an agreement providing for, a transaction which, if completed, would constitute a Change of Control, the Board may, at its discretion, resolve to permit holders of Options to exercise all unexercised vested Options and any unvested Options that would vest on the Change of Control, and to pay out all unvested RSUs through the issuance of Shares or to purchase Shares on the market through a designated broker, in each case conditional upon the occurrence of the Change of Control, in order to permit participants to tender the underlying Shares to the take-over bid or vote such Shares in respect of the resolutions pertaining to the transaction that would give rise to the Change of Control.

The following table illustrates the estimated incremental payments, payables and benefits that would have been made to each of the NEOs pursuant to change of control agreements between the Corporation and each NEO, and pursuant to the Option Plan and RSU Plans as a result of the triggering events identified below, in each case assuming that such event occurred on December 31, 2020.

Contingent Bonus Agreement

On October 16, 2018, the Board, on the recommendation of the Compensation Committee (now the HCCC) and counsel, agreed with Mr. Evans to provide a contingent bonus arrangement in satisfaction of Mr. Evans' 2018 LTI Target of \$1.8 million that was promised to Mr. Evans in his offer of employment. The contingent bonus arrangement provided that Mr. Evans would receive, on the first to occur of: (i) in the event of a change of control prior to June 1, 2019 at a price of not less than \$11.00 per Share, the 2018 LTI Target in cash plus additional payments of \$400,000 for each additional \$1.00 per Share above \$11.00 per Share payable on such change of control (pro-rated on a straight line basis to the actual per Share amount), or (ii) in the event there is no change of control at a price in excess of \$11.00 per Share on or before June 1, 2019, a discretionary cash bonus reflecting Mr. Evans' contributions during his first year, with a target bonus level equal to the 2018 LTI Target. Following the unsuccessful offer by Husky Energy to acquire all of the issued and outstanding Shares, the Board and Mr. Evans mutually agreed that such contingent bonus arrangement should be terminated. In connection with the termination of the contingent bonus arrangement, and in satisfaction of his 2018 LTI Target, Mr. Evans was issued DSUs under the existing DSU Plan, having a grant value of \$1.8 million, on May 17, 2019.

Termination and Change of Control Benefits Table

The table does not include the value of payments, payables and benefits already available to the NEO at December 31, 2020, such as Options, PSUs and RSUs that had already vested at such date. Except as described below and as described previously under "Long-Term Equity Incentive Plans," the Corporation has not entered into any other contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination of employment (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in an NEO's responsibilities.

Executive	Triggering Event	Payment (\$)	Long-Term Incentives ⁽¹⁾ (\$)	Total (\$)
Derek W. Evans	Termination Without Cause ⁽²⁾⁽³⁾	2,991,500	-	2,991,500
	Termination With Cause ⁽⁴⁾⁽⁵⁾	-	1,467,036	-
	Change of Control	2,991,500	9,592,821	12,584,321
	Retirement/Resignation ⁽⁶⁾	-	-	-
Eric L. Toews	Termination Without Cause ⁽²⁾⁽⁷⁾	(Note 7)	-	(Note 7)
	Termination With Cause	-	-	-
	Change of Control	1,972,499	4,442,488	6,414,987
	Retirement/Resignation ⁽⁶⁾	-	-	-
Chi-Tak Yee	Termination Without Cause ⁽²⁾⁽⁷⁾	(Note 7)	-	(Note 7)
	Termination With Cause ⁽⁴⁾	-	-	-
	Change of Control	1,985,854	4,601,402	6,587,256
	Retirement/Resignation ⁽⁶⁾⁽⁸⁾	-	3,841,356	-
Lyle S. Yuzdepski	Termination Without Cause ⁽²⁾⁽³⁾	918,600	-	918,600
	Termination With Cause ⁽⁴⁾	-	-	-
	Change of Control	918,600	1,529,136	2,447,736
	Retirement/Resignation ⁽⁶⁾	-	-	-
Jeremy J. Gizen	Termination Without Cause ⁽²⁾⁽⁷⁾	(Note 7)	-	(Note 7)
	Termination With Cause ⁽⁴⁾	-	-	-
	Change of Control	939,978	1,791,672	2,731,650
	Retirement/Resignation ⁽⁶⁾	-	-	-

Notes:

- (1) The value of long-term incentives is calculated by multiplying the number of Options that would vest on a Change of Control by the difference between the grant price and the closing price of the Shares on the TSX on December 31, 2020 of \$4.45, and adding the number of DSUs, RSUs and PSUs (assuming a multiplier of 1.0 for performance years that are not yet complete) that would vest on a Change of Control multiplied by the closing price of the Shares on the TSX on December 31, 2020 of \$4.45.
- (2) Represents termination of the employment of the NEO by the Corporation other than for cause.
- (3) The Corporation has written employment agreements with the CEO and the Senior VP, Legal & General Counsel which provide for pre-determined payments if the executive is terminated by the Corporation other than for cause.
- (4) Represents termination of the employment of the NEO by the Corporation for cause.
- (5) The value of long-term incentives payable to the CEO in the event of termination for cause is calculated by multiplying the number of DSUs held by the CEO by the closing price of the Shares on the TSX on December 31, 2020 of \$4.45.
- (6) Represents voluntary retirement or voluntary resignation of the NEO.
- (7) The Corporation has not entered into written employment agreements, other than change of control agreements, with the CFO, COO and VP, Production Operations & Engineering providing for pre-determination of any payments in connection with termination of employment; any specific payments in connection with termination without cause would be determined at the time of termination in accordance with common law principles.
- (8) The COO will transition to the role of Chief Technical Officer in 2021 and, as part of this transition, the existing employment agreement with the COO was amended to provide that, within a window of three (3) to twelve (12) months following the hiring of a new COO, either Mr. Yee or the Corporation may elect to trigger his retirement, in which case Mr. Yee will be eligible to receive a lump sum retiring allowance of \$1 million, all unvested LTI will continue to vest in the normal course, and Mr. Yee's 2021 bonus will be pro-rated to the date of retirement.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER SECURITY-BASED COMPENSATION PLANS

The following table provides information with respect to the total number of Shares authorized for issuance upon the exercise of outstanding Options and vesting of outstanding treasury-settled RSUs as of December 31, 2020. As of December 31, 2020, there were 302,681,283 Shares issued and outstanding.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved by Shareholders			
Option Plan	4,676,094	\$15.21	3,926,095 ⁽²⁾⁽³⁾
Treasury-Settled RSU Plan ⁽¹⁾	6,531,875	n/a	
Equity Compensation Plans Not Approved by Shareholders			
None	-	n/a	n/a
Total	11,207,969	\$15.21	3,926,095 ⁽⁴⁾

Notes:

- (1) Includes RSUs and PSUs issued under the treasury-settled RSU Plan.
- (2) As of December 31, 2020, the number of Shares reserved for issuance pursuant to the exercise of options granted under the Option Plan is equal to 5% of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other security-based compensation plans (which includes the treasury-settled RSU Plan).
- (3) As of December 31, 2020, the number of Shares reserved for issuance pursuant to RSUs granted under the treasury-settled RSU Plan is equal to 5% of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other security-based compensation plans (which includes the Option Plan).
- (4) Based on 302,681,283 issued and outstanding Shares as at December 31, 2020.

CORPORATE GOVERNANCE PRACTICES

Introduction

The Corporation believes that sound corporate governance is essential to the financial performance and long-term interests of the Corporation and its Shareholders. The Corporation's corporate governance policies, practices and procedures are continually reviewed by the Board to ensure alignment with evolving best practices. The following describes the Corporation's corporate governance practices which the Corporation believes are fully compliant with all corporate governance requirements established under National Instrument 58-201 *Corporate Governance Guidelines*, National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Instrument 52-110 *Audit Committees*.

Governance Highlights

Board Independence

- Separate Board Chair and CEO
- Majority of Board nominees (9 out of 10) are independent
- Board Chair is independent
- All Board committees are 100% independent
- Board meets without management present (in-camera) at every meeting

Board Effectiveness

- Board Chair skills and experience profile to assist in evaluation of Board Chair candidates
- Board Chair succession and transition policy
- Term limit for Board Chair
- Orientation and continuing education programs for directors
- Skills matrix to assist in planning, development and managing the skills and competencies of the Board
- Board independent director nomination and recruitment process
- Annual Board and committee evaluation process involving effectiveness survey, annual director and chair self-assessments, annual one-on-one meetings between each director and Board Chair, and periodic peer-to-peer assessments conducted by an independent third party

Board Diversity

- Inclusion & Diversity policy requiring that women represent at least 30% and a target of achieving at least 40% diverse persons by 2025
- Indigenous Peoples Policy

Board Governance

- Board has direct oversight of ESG matters
- Individual director voting, majority voting policy and prompt disclosure of vote results
- Board and committees have written mandates
- Written position descriptions for chair of the Board, each committee and CEO
- Board has adopted a written business conduct charter and monitors compliance

Accountability

- Board Shareholder outreach
- Advisory vote on executive compensation, giving Shareholders a say on pay
- Corporate scorecard links executive compensation to specific goals relating to environmental, social and governance (ESG) matters, including climate-related goals and inclusion and diversity matters
- Amendments to articles and by-laws, and approval of fundamental changes, mergers or business combinations, require a shareholder vote at levels required by law
- Board oversees strategic planning, risk management and mitigation, management, communication planning, compensation policies and guidelines, internal control integrity, succession planning
- Equity ownership requirements for directors and executive officers
- Clawback policy and anti-hedging policy which further align the interests of executives and Shareholders
- Related Party Transactions Policy

Board of Directors

Role of the Board

The Board is responsible for the overall stewardship of the Corporation and for overseeing the conduct of the Corporation and the activities of management. The primary responsibilities of the Board are to preserve and enhance long-term Shareholder value and to ensure that the Corporation meets its obligations on an on-going basis and operates in a safe and environmentally responsible manner. In performing its duties, the Board also considers the legitimate interests that other stakeholders, including employees, customers, suppliers and communities, may have in the Corporation and its activities.

Board and Committee Mandates

The mandate of the Board (a copy of which is attached to this Circular as Appendix A), which is reviewed at least annually by the Board, sets out the key responsibilities of the Board as follows:

- satisfying itself as to the integrity of the CEO and other officers and that the CEO and other officers create a culture of integrity throughout the Corporation
- adopting a strategic planning process and approving, on an annual basis, a business plan for the Corporation that takes into account, among other things, the opportunities and risks of the Corporation's business
- developing the Corporation's approach to enterprise risk management (ERM), including identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks
- succession planning, including appointing, training and monitoring senior management
- adopting a communications policy for the Corporation
- monitoring the integrity of the Corporation's internal control and management information systems
- developing the Corporation's approach to environmental, social and governance (ESG) risks and opportunities
- developing the Corporation's compensation policies and guidelines

The Board discharges its responsibilities directly and through its committees. Each of the Board committees has a written charter. The Board and its committees develop annual workplans based on their mandates and charters. These workplans are reviewed by the Board Chair or committee chair, as applicable, and guide the discharge of the responsibilities by the Board and each of the committees. In addition, the Board has approved written position descriptions for the Board Chair, the Chair of each standing Board committee, and the CEO. These governance documents clearly define the scope and expectations of the Board, its committees, individual directors, Board Chair, the committee chairs and the CEO. The Board mandate, Board committee charters and position descriptions are available on the Corporation's website at www.megenergy.com under "About Us" — "Governance".

Strategic Planning

The Board is responsible for ensuring that the Corporation sets long-term goals and that a regular strategic planning process is in place for the Corporation. The Board participates with senior management directly or through its committees in approving the strategic plans developed by the Corporation to achieve its goals. Throughout the year, the Board regularly discusses and reviews the Corporation's strategy and alternatives thereto, having regard to the evolving needs and circumstances of the Corporation's business and the environment in which the Corporation operates. The Board meets at least annually for a strategic planning session with management in which it reviews, discusses and approves the Corporation's strategic plan and progress towards achieving the plan. In 2020, the strategic planning session focused on the Corporation's COVID-19 response plan as well as the Corporation's 2021 to 2024 production and financial strategy and, in particular, the Corporation's plan to return to its existing full production capacity and to apply all available free cash flow to further reduce debt. The strategic session also focused on the Corporation's long-term sustainability, including market outlook, energy transition and investor sentiment and trends; ESG plan and progress, including long-term environmental targets; the Corporation's human resources priorities, including a focus on mental health and morale in response to challenges of the COVID-19 pandemic; and, the Corporation's ongoing engagement with Shareholders, employees and the communities in which the Corporation operates. The Board meets both with and without senior management and with external advisors where appropriate.

Risk Management

The Board is responsible for understanding the principal risks of the Corporation's business and achieving a proper balance between reducing exposure to these risks and the potential return to Shareholders. The Board ensures that management has implemented appropriate systems to effectively monitor and manage the risks with a view to the long-term viability of the Corporation. The Corporation utilizes an enterprise risk management (ERM) program to further reinforce an organization-wide risk management culture, improve risk management practices and achieve higher corporate governance standards. The Board oversees the Corporation's ERM program and is supported by the Board committees to ensure that risks are properly identified, measured, monitored and reported throughout the Corporation on a consistent basis and that appropriate risk management activities and controls are in place across the Corporation. The President and CEO manages the ERM program directly and through the senior management team.

In 2020, the Board received regular management updates on COVID-19 and the associated collapse in commodity prices and the Corporation's response to the pandemic, and monitored the impact of COVID-19 on the Corporation, including employee and contractor safety and business continuity, at regularly scheduled Board and Board committee meetings and through other regular updates as required (including weekly updates during the first few months of the pandemic) provided by the President and CEO and members of management. As the pandemic continues, the Board will continue to receive regular updates and to monitor the Corporation's response. The Corporation did not experience any COVID-19 outbreaks during 2020 at any of its locations.

Information Security Risk Management

The Board has ultimate oversight of the Corporation's cybersecurity strategy. The Audit Committee assists the Board with respect to oversight and management of cybersecurity and information security risk and the CFO has functional responsibility for the Corporation's cybersecurity strategy and the Corporation's IT Security Team. The IT Security Team is responsible for developing and implementing the Corporation's cybersecurity strategy, including defining cybersecurity policies and ensuring the operational effectiveness of these cybersecurity policies. The Corporation, through its Cybersecurity Framework manages cybersecurity risk by making certain appropriate processes, practices, and technologies are effectively designed and implemented to help identify, protect, detect, and respond to threats as they emerge and evolve. The Corporation employs a holistic security model based on National Institute of Standards and Technology (NIST) and International Organization for Standardization (ISO) standards:

- Utilizing enterprise class perimeter and network infrastructure, best practice network segregation, and multi-factor authentication;
- Ongoing cybersecurity and technology education is provided to all end users of the Corporation at least annually. Cybersecurity awareness testing is performed at least quarterly and cybersecurity policies are internally available to all employees;

- Security monitoring and alerting, including artificial intelligence and machine learning based behavior analytics to identify potential malicious activities or attacks;
- Regularly performed security control testing and comprehensive vulnerability assessments to ensure that information technology systems are up-to-date and properly configured, to reduce security risks arising from outdated or misconfigured systems and software;
- Incident response procedures are established to isolate and mitigate potential attacks; and
- Data backup and recovery processes are in place to minimize risk of data loss and resulting disruption of business.

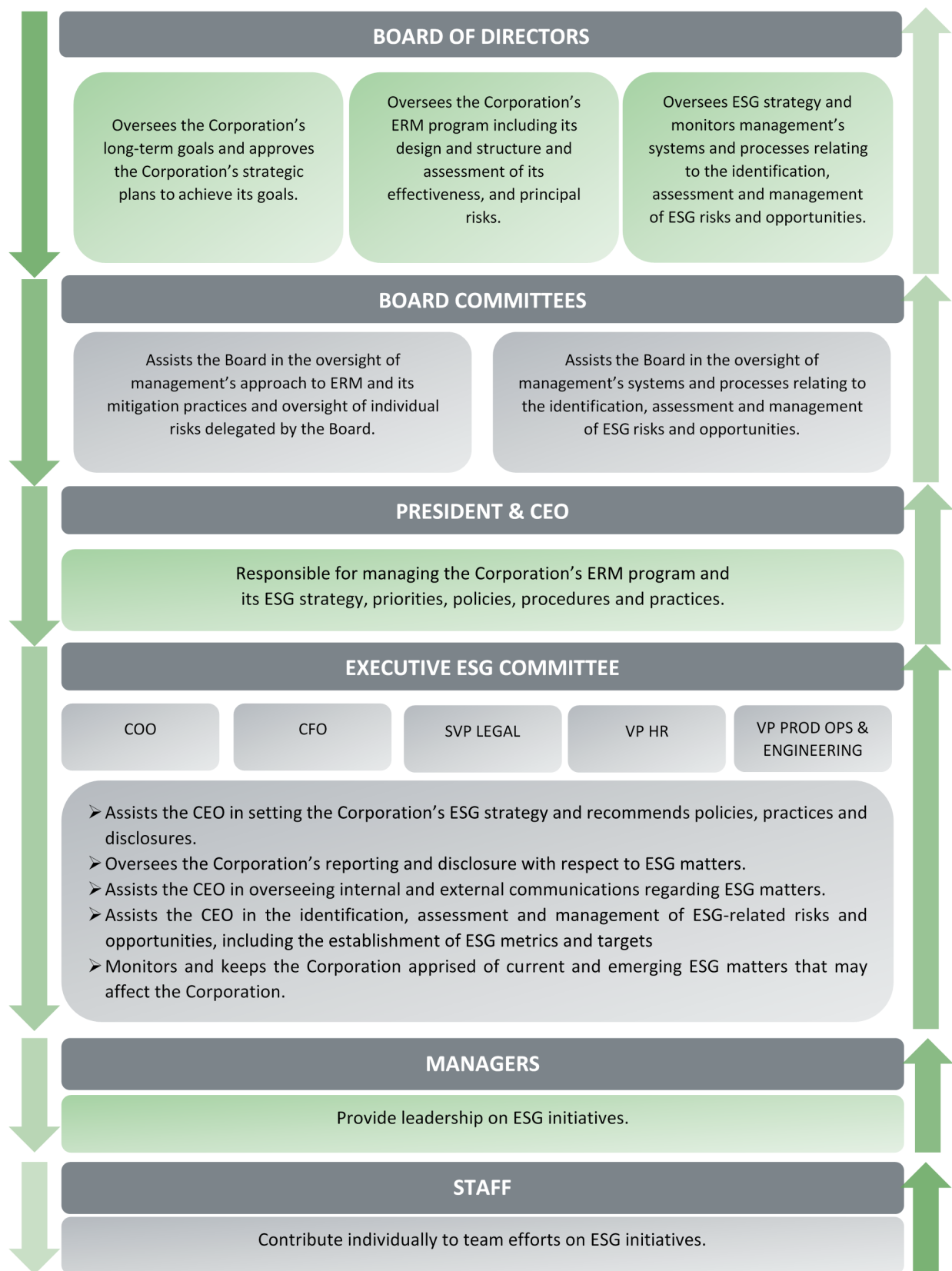
Third-party experts are utilized to perform annual penetration testing and security assessments of the Corporation's IT infrastructure and cybersecurity procedures. The Audit Committee receives regular updates from management on a broad range of topics, including technology trends, regulatory developments, the threat environment and vulnerability assessments, and specific and ongoing efforts to prevent, detect, and respond to internal and external threats. At least annually, the Board discusses cybersecurity and information security risks with the Corporation's management responsible for cybersecurity and information security risks. The Corporation has not experienced a material information security breach.

Environmental, Social and Governance Matters

The Board believes that environmental, social and governance (ESG) matters are critical to the long-term value and sustainability of the Corporation and is responsible for the oversight of all ESG-related initiatives, targets and programs and for developing the Corporation's approach to ESG matters. The Board is responsible for ensuring that ESG risks and opportunities are integrated into the Corporation's strategy and risk management processes with a view to developing the capacity to manage ESG risks and seize opportunities. These matters are discussed regularly in Board meetings and, in connection with Board succession, the Board will consider the right combination of knowledge and experience with ESG matters to ensure that the Board provides appropriate oversight of and contributions to discussions related to ESG matters impacting the Corporation. The Board discharges its responsibilities for ESG matters directly; however, in the execution of its responsibility for ESG matters, the Board may assign responsibility for certain aspects of ESG to the Board committees from time to time.

The Corporation has also established a cross-functional management committee focused on ESG matters. The Executive ESG Committee reports to the CEO and is tasked with supporting the Corporation's ongoing commitment to ESG.

The Corporation's approach to ESG reflects its understanding of the challenges presented by climate change and the energy transition and its commitment to taking appropriate actions. As the world moves towards a low-carbon future, the Corporation's business strategy recognizes the impact of reduced use of fossil fuels and addresses the risks arising out of climate change concerns. Although the timing and impact of the energy transition could be highly indeterminate, the Corporation is focused on enhancing its position as a sustainable low-cost producer and achieving net-zero emissions.



The Corporation has participated in the CDP (formerly Climate Disclosure Project) since 2016. The CDP is a not-for-profit organization that maintains a global disclosure system for investors, companies, cities, states and regions to manage their environmental impact. In each of 2018, 2019 and 2020 the Corporation has received a Climate Score of B, a score that is higher than the global and North American oil and gas sector average of C. In 2020, the first year that the Corporation received a CDP Water Score, the Corporation received a Water Score of B, which score is equal to the global and North American oil and gas average of B.

The Corporation published its first ESG Report in 2019, which provides details on the Corporation's approach with respect to certain ESG-related matters and highlights the activities undertaken by the Corporation. The ESG report also provides details on the Corporation's approach to sustainability and its commitment to developing technologies to address climate change and its commitment to developing strong relationships with Indigenous communities and other communities where the Corporation operates, and highlights the Corporation's commitments to best practices in the areas of health, safety and the environment and to developing and ethical, respectful, inclusive and diverse workplace. The ESG Report is available in the "Sustainability" section of the Corporation's website at www.megenergy.com.

The Corporation continued to advance its ESG strategy in 2020, including obtaining Board approval of the Corporation's commitment to support the Paris Agreement and the Corporation's long-term goal of reaching net-zero GHG emissions (Scope 1 and Scope 2) by 2050.

In addition, the Corporation's progress on ESG in 2020 included (a) the completion of an ESG materiality assessment in accordance with the Sustainability Accounting Standards Board ("SASB") standards to identify the Corporation's ESG priorities and initiatives, (b) the development of a Human Rights Policy Statement reflecting the Corporation's commitment to human rights as set out in the UN Universal Declaration of Human Rights and (c) the enhancement of ESG metrics including increased alignment with SASB recommendations.

The Corporation aligns with the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations and in 2020 MEG advanced its CDP Climate Disclosure and released a TCFD Index linking the Corporation's current disclosures to TCFD recommendations. This TCFD Index is available in the "Sustainability" section of the Corporation's website at www.megenergy.com.

The Corporation's Corporate Performance Scorecard continues to reflect the integration of ESG into the Corporation's business. In particular, ESG-related performance indicators make up a significant portion (greater than 35% in each of 2020 and 2021) of the Corporation's Corporate Performance Scorecard which impacts both executive and employee compensation. See *"Components of Executive Compensation – 2020 Corporate Performance Scorecard"* and *"Components of Executive Compensation – 2021 Corporate Performance Scorecard"*.

In 2021, the Corporation's strategic ESG initiatives include:

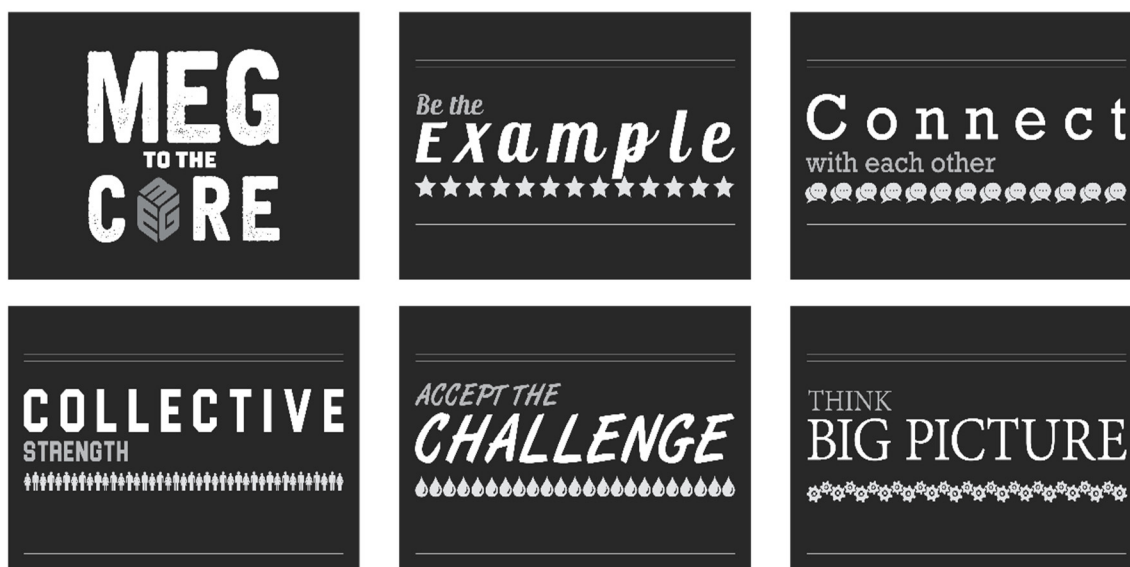
- Advancing technologies to reduce GHG emissions;
- Developing short- and medium-term targets to progress the Corporation's commitment to achieve net zero GHG emissions (Scope 1 and Scope 2) by 2050;
- Progressing the Corporation's alignment with TCFD recommendations on climate scenario analysis;
- Advancement of the Corporation's Inclusion and Diversity and Indigenous awareness initiatives; and
- Publication of an updated ESG report and continued enhancement of all other ESG disclosure.

Additional information regarding the Corporation's ESG actions, including the ESG Report, CDP Climate Response and CDP Water Response, is available in the "Sustainability" section of the Corporation's website at www.megenergy.com.

Human Capital Management and Succession Planning

The Board believes that attracting, developing and retaining the best people is critical to the Corporation's long-term success and is central to the Corporation's long-term strategy. In addition, the Board believes that employees who understand how their work contributes to the overall corporate strategy outperform those employees who do not. At the core of Corporation's human capital strategy is a focus on building an inclusive culture based on developing talent, innovation and leveraging the Corporation's collective capacity to deliver on its strategic objectives.

In 2019, the Corporation launched its "MEG to the CORE" values which anchor its purpose and plan:



In 2020, the Corporation implemented an enterprise employee performance management (EPM) process and developed a leadership development framework and continuity strategy. The EPM process and leadership development framework provide a consistent approach to talent development and to developing the leadership support required to deliver results, drive the engagement of the entire organization and build an inclusive workplace culture that reflects the Corporation's core values.

In addition, as part of its talent management and development strategy, in 2021 the Corporation launched a new leadership development program for front-line and mid-level leaders across the organization. All people leaders within the Corporation will participate in the program as part of their ongoing development to enhance their leadership skills and capabilities.

The Corporation is committed to cultivating an inclusive and diverse workplace environment that supports the development and advancement of all. The key principles and commitments of the Corporation under its newly adopted Inclusion and Diversity Policy are intended to foster a corporate culture in which all of the Corporation's Board members, employees and contractors feel valued, engaged and have the opportunity to contribute and succeed.

In 2021, the Corporation's Compensation Committee was renamed the Human Capital and Compensation Committee and its charter was broadened to include stewardship of the Corporation's human capital management strategy including matters such as talent development and retention, succession planning and continuity and workplace culture.

See "Corporate Governance Practices – Inclusion and Diversity."

The Board, through the HCCC, is regularly updated on key talent metrics for the overall workforce, including metrics related to diversity, recruiting and talent development programs. The Board is updated on the Corporation's human capital development strategy on an annual basis.

The Board also devotes significant time to leadership development and succession planning and provides guidance on important decisions in each of these areas. The Board, through the HCCC, has primary responsibility for succession planning for the CEO and oversight of succession planning for other executive officers. Leaders from a cross-section of the Corporation frequently present to the Board on corporate initiatives, providing the Board with insight into the leadership pipeline below the senior management team. The HCCC and the Board review succession plans for the Corporation's executives and their development on an annual basis with the CEO and Vice President, Human Resources.

The HCCC oversees the design and management of corporate compensation programs, including annual incentive compensation and long-term incentive compensation programs, as well as the design of the employee savings plan and health and benefit plans covering the Corporation's employees, to ensure that these programs are aligned to attracting, developing and retaining highly talented business leaders and to ensure that incentives are aligned with our Corporation's long-term strategy and the interests of Shareholders.

Inclusion and Diversity

The Board recognizes the importance of inclusion and diversity in improving decision-making by ensuring that different perspectives are incorporated into the decision-making process. In 2019, the Board adopted its second formal diversity policy relating to gender and other forms of diversity on the Board and in the Corporation's leadership roles. The policy set a goal of reaching at least 30% female directors by the Corporation's annual meeting of Shareholders in 2020. The Corporation achieved this goal with the election of three women as directors at its 2020 annual meeting of Shareholders.

In early 2021, as a further commitment to promoting inclusion and diversity at all levels of the Corporation, the Board adopted a new Inclusion and Diversity Policy (the "I&D Policy"). The purpose of the I&D Policy is to set forth the key principles and commitments of the Corporation which are intended to foster a corporate culture in which all of the Corporation's personnel and Board members feel valued, engaged and have the opportunity to contribute and succeed. In the I&D Policy, "Diverse Persons" includes women, racialized people, Indigenous people, individuals who identify as LGBTQ2S+, and people with disabilities.

The key commitments of the Corporation in the I&D Policy are as follows:

- Demonstrating and promoting inclusive practices which encourage differences in thought, including applying and enforcing its Respectful Workplace Policy;
- Enabling and promoting inclusion and diversity education;
- Developing recruitment strategies focused on increasing Diverse Persons as potential candidates and considering diversity as one factor in evaluating candidates for all roles within the organization, including engaging, where appropriate, qualified independent external advisors to conduct searches for candidates who are Diverse Persons;
- Identifying and progressively eliminating barriers to employment and advancement in the Corporation's workplace;
- Working with current and future suppliers and contractors to encourage the application of the same principles of inclusion and diversity; and
- Embracing diversity that better reflects the communities in which the Corporation operates.

The I&D Policy requires that the Corporation set measurable objectives for improving inclusion and diversity within all levels of the Corporation. These objectives are approved by the Board upon a recommendation of the GNC or the HCCC.

The GNC is responsible for oversight of the application of the I&D Policy to the Board and the HCCC is responsible for the application of the I&D Policy to the Corporation's executives and employees. The Committee oversight includes an annual review of the Corporation's objectives and progress in achieving these objectives. The evaluation of the Corporation's progress will include a mechanism to include feedback from Diverse Persons within the organization.

Also in early 2021, the Board approved the following objectives under the I&D Policy:

- The Corporation shall maintain a Board composition in which at least 30% of the directors are women;
- The Corporation aspires to attain by 2025, and thereafter maintain, a Board composition in which at least 40% of the directors are Diverse Persons;
- The Corporation aspires to achieve a meaningful increase in the number of Diverse Persons at the Corporation's senior management level (i.e. Vice Presidents and above);
- The Corporation shall ensure that Diverse Persons are included in any pool of candidates being considered for election or appointment to the Board and for the appointment or promotion to senior management positions; and
- Shall establish baseline information within the organization with respect Inclusion and Diversity.

A summary of the Corporation's current diversity distribution, number and percentage, is as follows:

Position/Title	Number of Women	% of Women	Number of Other Diverse Individuals	% of Other Diverse Individuals
Internal Director ⁽¹⁾	3	33%	-	0%
Executive ⁽²⁾	-	0%	1	12.5%
Board of Directors ⁽³⁾⁽⁴⁾	3	30%	-	0%

Notes:

- (1) An "internal director" is a senior management level position within the Corporation's organization which falls immediately below the position of Vice President.
- (2) Includes the CEO, COO, CFO, Senior Vice President and Vice Presidents.
- (3) Member of the Board of Directors.
- (4) Based on the ten director nominees standing for election at the Meeting.

In addition to the I&D Policy, the Corporate Performance Scorecard for 2021 includes, as part of its strategic targets, (a) the advancement of the Corporation's inclusion and diversity objectives, including measuring the effectiveness of the Corporation's related policies and programs, and (b) the roll out of Indigenous awareness training across the organization.

As of the date of the Circular, zero of ten (zero percent) of the Board members and zero of eight (zero percent) of the executives of the Corporation self-identify as Indigenous peoples; zero of ten (zero percent) of the Board members and one of eight (12.5%) of the executives of the Corporation self-identify as members of visible minorities; and zero of ten (zero percent) of the Board members and zero of eight (zero percent) of the executives of the Corporation self-identify as persons with disabilities.

Board Committees

To assist the Board in fulfilling its duties and responsibilities, the Board delegates certain powers, duties and responsibilities to committees to ensure sufficient review and consideration of specific matters. The Board currently has four standing committees: Audit Committee, Human Capital and Compensation Committee, Governance and Nominating Committee and Health, Safety and Environment and Reserves Committee. The Board also establishes ad hoc committees from time to time for specific matters which are not continual in nature.

Committee Memberships

Each of the Committees is comprised solely of independent directors. Mr. Evans, as a non-independent director by virtue of his position as President and CEO of the Corporation, does not sit on any Board committee but does attend all committee meetings by invitation. An *in-camera* session of independent directors is held at every Board and committee meeting.

The table below sets out the members of the standing committees as of the date hereof.

Director	Standing Committees			
	Audit Committee	HCCC	GNC	HSERC
Grant D. Billing	✓		✓	
Ian D. Bruce ⁽¹⁾	Ex-officio	Ex-officio	Ex-officio	Ex-officio
Derek W. Evans ⁽²⁾				
Judy A. Fairburn			✓	✓
Robert B. Hodgins	Chair		✓	
William R. Klesse				Chair
Susan M. MacKenzie		✓		✓
Jeffrey J. McCaig		✓		✓
James D. McFarland	✓	Chair		
Diana J. McQueen		✓	Chair	

Notes:

- (1) As Board Chair, Mr. Bruce is an *ex officio* non-voting member of each standing committee and attended 100% of the committee meetings held in 2020 following his appointment as Chair.
- (2) Mr. Evans attends all standing committee meetings in his capacity as CEO and attended 100% of the committee meetings held in 2020.

Audit Committee

The Audit Committee assists the Board in fulfilling its stewardship with respect to the Corporation's financial statements, management's discussion and analysis, accounting and financial reporting practices, and the relationship with the Corporation's external auditor. It also assists the Board with respect to oversight of the Corporation's disclosure controls and procedures and internal control over financial reporting; financial and commodity price risk management activities; and information security risk management matters.

Each member of the Audit Committee must be an independent director and must be "financially literate" as such term is defined in National Instrument 52-110 *Audit Committees*. The Board appoints the chair of the Committee annually from among the members of the Committee. The Committee meets at least four times per year or more frequently as circumstances require and at each meeting of the Committee, the members meet *in camera* in the absence of management. The Committee has the authority to conduct investigations and engage independent counsel and other advisers or consultants as it determines necessary to carry out its duties, to set and require the Corporation to pay compensation for any advisers engaged by the Committee, and to communicate directly with the external auditor and the Corporation's other financial advisers to the extent necessary to carry out the Committees' duties.

The chair of the Audit Committee reports on the Committee's activities at each regularly scheduled meeting of the Board.

Further information in respect of the Audit Committee is contained in the Corporation's Annual Information Form for the year ended December 31, 2020 filed on SEDAR at www.sedar.com and available on our website at www.megenergy.com.

The Audit Committee Charter is available on our website at www.megenergy.com.

Human Capital and Compensation Committee

The mandate of the Corporation's Compensation Committee was broadened in 2021 to provide board-level stewardship with respect to the Corporation's human capital strategy and management, in addition to its ongoing role in stewarding the Corporation's compensation philosophy, policies and programs. The primary activities of the new Human Capital and Compensation Committee (HCCC) are to review the Corporation's human capital strategy; oversee management's compliance with laws and regulations with respect to human resources and compensation matters; review and make recommendations to the Board on matters related to social policies, inclusion and diversity, including ESG responsibilities related to social matters and related topics delegated by the Board; establish the Corporation's general compensation philosophy and oversee the development and implementation of compensation programs; review annually and recommend to the Board the director, executive and employee

compensation programs (including the total compensation of the CEO and the Corporation's other executives); review annually and recommend to the Board the corporate goals and objectives relevant to compensation (including the President and CEO's annual objectives); review the Corporation's disclosure relating to director and executive compensation; and review annually the Corporation's succession planning and results for the Corporation's executive roles. The Committee also annually conducts and reports to the Board on performance evaluation of the President and CEO.

Each member of the HCCC must be an independent director. The Board appoints the chair of the HCCC annually from among the members of the HCCC. The HCCC meets at least annually or more frequently as circumstances require and at each meeting of the HCCC, the members meet *in camera* in the absence of management. The HCCC has the authority to conduct investigations and engage independent counsel and other advisers or consultants as it determines necessary to carry out its duties and to set and require the Corporation to pay compensation for any advisers engaged by the HCCC.

The chair of the HCCC reports on the HCCC's activities at each regularly scheduled meeting of the Board.

The HCCC Charter is available on our website at www.megenergy.com.

Governance and Nominating Committee

The GNC assists the Board in fulfilling its stewardship with respect to developing the Corporation's approach to corporate governance; developing corporate governance principles and guidelines; reviewing Board and Board committee requirements and membership; facilitating evaluation of the directors, the Board, Board committees, Board and Board committee chairs; identifying individuals qualified to become directors; recommending nominees for election as directors of the Corporation; monitoring compliance with rules, regulations or guidelines relating to corporate governance; and reviewing all material related-party transactions.

The GNC regularly reviews new developments in corporate governance and makes recommendations to the Board on processes or policies which would enhance the overall effectiveness of the Board and its committees and the performance of the Corporation. The GNC reviews and approves any reports required or recommended on corporate governance for inclusion in the Corporation's public disclosure documents.

Each member of the GNC must be an independent director. The Board appoints the chair of the GNC annually from among the members of the GNC. The GNC meets at least annually or more frequently as circumstances require and at each meeting of the GNC, the members meet *in camera* in the absence of management. The GNC has authority to conduct investigations and engage independent counsel and other advisers or consultants as it determines necessary to carry out its duties and to set and require the Corporation to pay compensation for any advisers engaged by the GNC.

The chair of the GNC reports on the GNC's activities at each regularly scheduled meeting of the Board.

The GNC Charter is available on our website at www.megenergy.com.

Health, Safety and Environment and Reserves Committee

The HSERC assists the Board in fulfilling its stewardship with respect to ensuring compliance by the Corporation with applicable laws pertaining to health, safety and the environment and reviewing and supervising the Corporation's policies and procedures designed to mitigate risks and liabilities in these areas; and ensuring compliance by the Corporation with the requirements contained in National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*, including supervising the evaluation of the Corporation's reserves and the preparation of the Corporation's independent reserves report.

Each member of the HSERC must be an independent director. The Board appoints the chair of the HSERC annually from among the members of the Committee. The Committee meets at least annually or more frequently as circumstances require and at each meeting of the HSERC, the members meet *in camera* in the absence of management. The HSERC also meets at least annually with the Corporation's independent reserves evaluator *in camera*. The HSERC has authority to conduct investigations and engage independent counsel and other advisers or consultants as it determines necessary to carry out its duties and to set and require the Corporation to pay compensation for any advisers engaged by the Committee.

The chair of the HSERC reports on the Committee's activities at each regularly scheduled meeting of the Board.

The HSERC Charter is available on our website at www.megenergy.com.

Independence of Directors

The Board is responsible for determining, at least annually, whether or not each director is independent as set out in section 1.2 of National Instrument 58-101 *Disclosure of Corporate Governance Practices*. For a director to be considered independent, the Board must determine that the director does not have any direct or indirect material relationship with the Corporation. Examples of such a material relationship could include being a partner, shareholder or officer of an organization that has a material relationship with the Corporation, such as a supplier, customer or contractual counterparty. On an annual basis, the GNC of the Board asks directors and executives of the Corporation to inform the Board as to their relationships with the Corporation. Pursuant to the *Business Corporations Act* (Alberta), directors of the Corporation are also required in certain circumstances to declare when they are party to, or have an interest in, material contracts or material transactions involving the Corporation. The Board reviews any relationships, and their materiality to the Corporation, under applicable director independence standards. In its review, the Board considers and analyzes the existence, materiality and effect of all relationships of our directors with the Corporation including business, familial and other relationships, in reaching a conclusion as to such director's independence under applicable requirements.

The Chairman of the Board, Mr. Bruce, is independent and the Board is currently comprised of ten (10) directors, nine (9) of whom are independent. Mr. Evans, as President and CEO of the Corporation, is not independent and is the only member of the Board who is also a member of management.

The roles of the Board Chair and the President and CEO are separate. The primary responsibility of the Chairman is to provide independent leadership to the Board to ensure the Board functions independently of management of the Corporation and to facilitate the effective functioning of the Board in stewardship of the Corporation.

At each Board meeting there is an *in-camera* session at which non-independent directors and members of management are not in attendance. The *in-camera* sessions are chaired by the Chair of the Board. The chairs of the HCCC, the Audit Committee, the GNC and HSERC, are/were all independent directors and at each respective committee meeting an *in-camera* session is/was held.

Conflicts of Interest and Related Party Transactions

Pursuant to the *Business Corporations Act* (Alberta), a director or officer who is party to a material contract or transaction with the Corporation or has a material interest in any person who is a party to a material contract or transaction with the Corporation is required to disclose the conflict or potential conflict and to abstain from voting on the matter at any Board meeting where the matter is being discussed or considered. The GNC is responsible for reviewing and making recommendations to the Board regarding related-party transactions.

Pursuant to the Corporation's Business Conduct Charter, directors, officers and employees of the Corporation are required to disclose potential or actual conflicts of interest and are prohibited from engaging in the disclosed activity until a permission is granted by an executive of the Corporation. A conflict of interest is defined as any circumstances where an individual (or persons with whom such individual has a close personal relationship) may receive a benefit that is at the expense of the Corporation or that results in a lost opportunity to the Corporation. See "*Ethical Business Conduct – Business Conduct Charter*".

In addition to the foregoing, the Corporation has adopted a Related Party Transaction Policy which is intended to supplement the Corporation's Business Conduct Charter. With respect to persons and transaction described in the Related Party Transaction Policy, the procedures set forth in the policy apply. With respect to all other potential conflicts of interest, the provisions of the Business Conduct Charter apply.

The Related Party Transaction Policy requires the approval or ratification by the GNC if any transaction or series of transactions exceeding \$120,000 in which the Corporation is a participant and any related person has a direct or indirect material interest (other than solely as a result of being a director or trustee or less than 5% owner of another entity). Related persons include the Corporation's directors, executives and their immediate family members and persons sharing their households. It also includes persons controlling more than 10% of the Shares.

Once a related party transaction has been identified, the GNC will review all of the relevant facts and circumstances and approve or disapprove entry into the transaction. The Committee will take into account, among other factors,

whether the transaction is on terms no more favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

All directors are required to complete annual questionnaires disclosing any related party transactions. These questionnaires assist the Corporation in identifying and monitoring possible related-party transactions.

There were no material conflicts of interest or related party transactions reported to the Board, the GNC or the Corporation's executives in 2020.

Other Public Company Board Memberships

The table below sets out the other publicly traded issuers for which the Corporation's directors serve as directors as at the date hereof.

2021 Director Nominees	Directorships
Grant D. Billing	Badger Daylighting Ltd. Tervita Corporation
Ian D. Bruce	Cameco Corporation
Derek W. Evans	Franco-Nevada Corporation
Judy A. Fairburn	-
Robert B. Hodgins	AltaGas Ltd. Enerplus Corporation Gran Tierra Energy Inc.
William R. Klesse	Occidental Petroleum Corporation
Susan M. MacKenzie	Enerplus Corporation Freehold Royalties Ltd. Precision Drilling Corporation
Jeffrey J. McCaig	-
James D. McFarland	Valeura Energy Inc.
Diana J. McQueen	-

Interlocking Board Memberships

The Board considers it to be a good governance practice to avoid interlocking relationships, if possible. The Board examines each situation on its own merits with a view to examining material relationships which may affect independence. Mr. Hodgins and Ms. MacKenzie are both members of the board of directors of Enerplus Corporation and both serve on the Enerplus corporate governance & nominating committee and compensation & human resources committee, Ms. MacKenzie as Chair of each committee and Mr. Hodgins as a member. The Board has determined that these interlocking memberships do not impair the ability of either Mr. Hodgins or Ms. MacKenzie to exercise independent judgment as members of the Board.

Director Meeting Attendance

The attendance record of each director for all Board and Committee meetings held in 2020 is set out below.

Director	Board Meetings	Standing Committee Meetings				Total
		Audit Committee	HCCC	GNC	HSERC	
Grant D. Billing	7/7	4/4		5/5		100%
Ian D. Bruce ⁽¹⁾	7/7	2/2	5/5			100%
Harvey Doerr ⁽²⁾	4/4			2/3	2/2	89%
Derek W. Evans ⁽³⁾	7/7					100%
Judy A. Fairburn ⁽⁴⁾	7/7			2/2	4/4	100%
Robert B. Hodgins	7/7	4/4		5/5		100%
William R. Klesse	7/7				4/4	100%
Susan M. MacKenzie ⁽⁵⁾	3/3		2/2		2/2	100%

Director	Board Meetings	Standing Committee Meetings				Total
		Audit Committee	HCCC	GNC	HSERC	
Jeffrey J. McCaig ⁽⁶⁾	7/7			2/2	2/2	100%
James D. McFarland	7/7	4/4	7/7			100%
Diana J. McQueen	7/7		7/7	5/5		100%

Notes:

- (1) Prior to his appointment as Chair of the Board, Mr. Bruce was a member of the Audit Committee and the Compensation Committee (now the HCCC) and attended 100% of the committee meetings held while a member. Following his appointment as Chair of the Board, Mr. Bruce began attending all committee meetings in an *ex-officio* capacity and attended 100% of the committee meetings held following his appointment as Chair of the Board.
- (2) Mr. Doerr retired from our Board effective June 17, 2020.
- (3) Mr. Evans is not a member of any of the Board's committees but is invited to attend the meetings of all committees. Mr. Evans attended 100% of the committee meetings held in 2020. At each such meeting, the members of the committee, all of whom are independent, also met *in-camera* without Mr. Evans.
- (4) Ms. Fairburn was appointed as a member of the GNC effective June 17, 2020.
- (5) Ms. MacKenzie was elected to the Board on June 17, 2020 and appointed a member of the Compensation Committee (now the HCCC) and HSERC effective June 17, 2020.
- (6) While acting as Chairman of the Board, Mr. McCaig attended committee meeting in an *ex-officio* capacity. Effective June 17, 2020, Mr. McCaig was appointed as a member of the Compensation Committee (now the HCCC) and of the HSERC.
- (7) The above attendance record does not reflect attendance by directors at meetings of committees of which they are not members. Directors are encouraged to attend committee meetings even though they are not members of such committee.

Skills Assessment and Nomination

The GNC, which is composed entirely of independent directors, is responsible for ensuring that the composition of the Board and its committees meets the requirements of the Corporation. The Corporation maintains a skills matrix that identifies the skills and experience that the Board views as necessary to oversee the Corporation's business, operations and strategic objectives. In the fall of 2020, the Board, in keeping with the priorities of the Corporation, amended the skills matrix to include a category for Environmental, Social & Governance experience. Prior to making its recommendations to the Board, the GNC assesses how those skills and experience requirements are satisfied by the nominees.

The following table summarizes information from the GNC's most recent review which was used to develop the recommendations for 2020 and includes the skills and expertise of the proposed nominees for election as directors.

Skill	G.D. Billing	I.D. Bruce	D.W. Evans	J.A. Fairburn	R.B. Hodgins	W.R. Klesse	S.M. MacKenzie	J.J. McCaig	J.D. McFarland	D.J. McQueen
Financial Knowledge										
Ability to read and interpret financial statements/notes	●	●	●	●	●	●	●	●	●	●
Experience in investment banking, mergers & acquisitions	●	●	●	●	●	●	●	●	●	●
Oil and Gas Operations Experience										
In-situ operations	○	●	●	●	○	●	●	●	●	●
Large project development	●	●	●	●	●	●	●	●	●	●
Health, Safety and Environmental	●	●	●	●	○	●	●	●	●	●
Reserves Reporting	●	●	●	●	●	○	●	●	●	●
Regulatory	●	○	●	●	●	●	●	○	●	●
Oil and Gas Marketing Experience										
Marketing of Oil or Gas	●	●	●	●	○	●	●	○	●	●
Midstream/Transportation Sector	●	●	●	●	●	●	○	●	●	○
Refining Sector	○	●	●	●	○	●	●	●	●	●

Skill	G.D. Billing	I.D. Bruce	D.W. Evans	J.A. Fairburn	R.B. Hodgins	W.R. Klesse	S.M. MacKenzie	J.J. McCaig	J.D. McFarland	D.J. McQueen
Business Experience										
Corporate Strategy, Managing or Leading Growth	●	●	●	●	●	●	●	●	●	●
International Business	●	●	●	○	●	●	●	●	●	●
Human Resources/Compensation	●	●	●	●	●	●	●	●	●	●
Sectors Outside of Oil & Gas	●	●	●	●	●	●	●	●	●	●
Corporate Law	○	●	●	○	●	●	●	●	●	●
Experience as CEO/Chair of Large North American Public Company	●	●	●	-	○	●	-	●	●	○
Political/Public Policy or Regulatory	○	●	●	●	○	●	●	●	●	●
Corporate Governance Experience										
Other Boards of Directors	●	●	●	●	●	●	●	●	●	●
Current Canadian Corporate Governance	●	●	●	●	●	○	●	●	●	●
Securities Law, Regulatory Regime for Public Companies	●	●	●	●	●	●	●	●	●	●
Environmental, Social & Governance (ESG)	●	●	●	●	●	●	●	●	●	●

- = Expert in the field as a consequence of specific training and extensive experience as practitioner, a resource for senior management in this subject area
- = Very broad knowledge of subject area through training and/or direct work experience, or supervision of function, able to analyze and ask probing questions
- = Basic understanding of subject area through previous training/exposure

The GNC is also responsible for identifying and assessing new candidates for appointment or nomination to the Board and for considering succession issues as they relate to the members of the Board and committees. Where a vacancy exists or the need for a new candidate has been identified, the GNC will seek candidates who best match the identified needs of the Board and its committees, and will evaluate them taking into account their past performance, independence, competencies, skills, financial literacy, the Corporation's Inclusion and Diversity Policy (as described below) and such other factors as are necessary to ensure the promotion of effective governance and regulatory compliance.

Orientation and Continuing Education

The Board recognizes the importance of orientation and continuing education for directors and has delegated these responsibilities to the GNC. New directors meet with the Chairman and certain other independent directors and attend meetings at which they receive briefings on various aspects of the nature and operation of the Corporation's business from senior officers of the Corporation. New directors are also provided with comprehensive onboarding materials and information, including an overview of the Board portal, a secure online site that contains, among other things, the Corporation's articles and by-laws, the Board and committee mandates and workplans, corporate policies, recent disclosure documents and information regarding the Corporation's operations. New directors are also provided the opportunity to meet one-on-one with members of Senior Management and, when circumstances permit, are offered a tour of our field site at Christina Lake.

The Corporation believes that Shareholders are best served by an engaged board that is knowledgeable about our business, industry and governance trends. Listed below are the internal sessions hosted virtually by MEG in 2020 for all directors:

- *Comprehensive Update on Current Expectations Leading Board Governance Matters* – presented by WATSON and attended by all directors (early 2020)
- *“Oil, ESG, Geopolitics and Capital Markets: Strategic Outlook”* – presented by Eurasia Group and attended by all directors (June 2020)
- *“Insights into Current and Future State of ESG”* - presented by ESG Global Advisors and attended by all directors (June 2020)
- In-depth Technical Session of the Corporation’s Christina Lake asset – presented by MEG and attended by all directors with the exception of Mr. Hodgins (December 2020)
- Quarterly presentations on market fundamentals at regularly scheduled Board meetings and attended by all directors
- Regular presentations from the Corporation’s independent compensation consultant and attended by all members of the HCCC
- *Safety Stand Down: COVID-19 Situation Guidance* – presented by MEG and attended by all directors with the exception of Mr. Billing, Ms. Fairburn and Mr. Klesse (December 7, 2020)

In addition to internal sessions, the Corporation encourages directors to attend and participate in seminars and other continuing education programs in order to maintain and enhance their skills and abilities as directors, with the cost of any such programs being reimbursed by the Corporation. Individual directors' participation in continuing education activities are listed in Appendix C.

All of our directors are members of the Institute of Corporate Directors (ICD), with Mr. Evans, Ms. Fairburn and Ms. MacKenzie each holding the ICD.D designation. Ms. McQueen is currently working toward her ICD.D designation.

The Corporation ensures that there are frequent informal opportunities for directors to meet with senior members of the organization which offers the opportunity for individual Board members to ask questions to enhance their knowledge and clarify their understanding of various issues, and gain additional exposure to help evaluate the knowledge, capability and conduct of the senior management team.

Board, Committee and Director Assessments

The Board approaches its Board, Board committee and director assessments over a multi-year time frame with the objective of ensuring that directors are provided with honest feedback each year on their performance and to assist the Board in identifying and addressing opportunities to improve effectiveness.

On an annual basis, the Chair of the GNC facilitates the completion by each director of a confidential effectiveness survey for the Board and each committee to which that director is assigned. The Board survey includes an assessment of the Board's responsibilities and operations, assessment of the Chairman of the Board and individual director self-assessments. The Board committee surveys include an assessment of each committee's responsibilities and operations, an assessment of each committee chair and individual self-assessments of the committee members. The GNC also considers the composition of the Board's committees to ensure they possess an appropriate balance of the skills necessary for such committees to discharge their roles. This process involves, as noted above, the use of a skills matrix, which assists in identifying any gaps in skills, expertise and industry experience.

The Board Chair and Chair of the GNC are responsible for reviewing the responses provided in each survey and liaising with the chairs of the committees and management to utilize the responses to improve the effectiveness of the Board and its committees. At the first Board meeting following completion and review of the assessments, the Board Chair and the Chair of the GNC report to the Board outlining the responses and conclusions of the assessments. Board members then identify areas of improvement and communicate with management prior to implementation.

Every two or three years the Board conducts a comprehensive, externally-facilitated effectiveness evaluation of the Board. This evaluation process includes peer evaluation and feedback on how individual directors are perceived by their peers to contribute to the areas set out in the Board's skills matrix, providing a real time assessment of each individual director's contributions to boardroom discussions. Each of the directors is provided with an individualized report, providing insight into his or her contributions in boardroom discussions as perceived by other directors.

The Board considers a rigorous assessment process to be the most appropriate mechanism to ensure that each director remains effective. The format and focus of the Board, Committee and director assessment process are continually under review by the GNC to ensure its effectiveness.

Board Renewal and Tenure

The GNC has the responsibility to establish criteria for the selection of directors, to retain search firms for the recruitment of director nominees, to review and assess the competencies and skills of persons proposed for election or appointment to the Board, and to submit to the Board the names of persons to be nominated for election as directors at the annual meeting of Shareholders or to be appointed to fill vacancies between annual meetings. Candidates are assessed in relation to the criteria established by the Board (as set out in the Board skills matrix) to ensure that the Board has a diverse and appropriate mix of backgrounds, skills and perspectives necessary to promote sound governance and Board effectiveness.

To ensure adequate Board renewal, the GNC conducts robust annual Board, Committee and director assessments. These assessments include an evaluation of the tenure and performance of individual directors and a review of the composition and effectiveness of the Board and its committees. For additional detail on the annual assessments, see *“Board, Committee and Director Assessments”*.

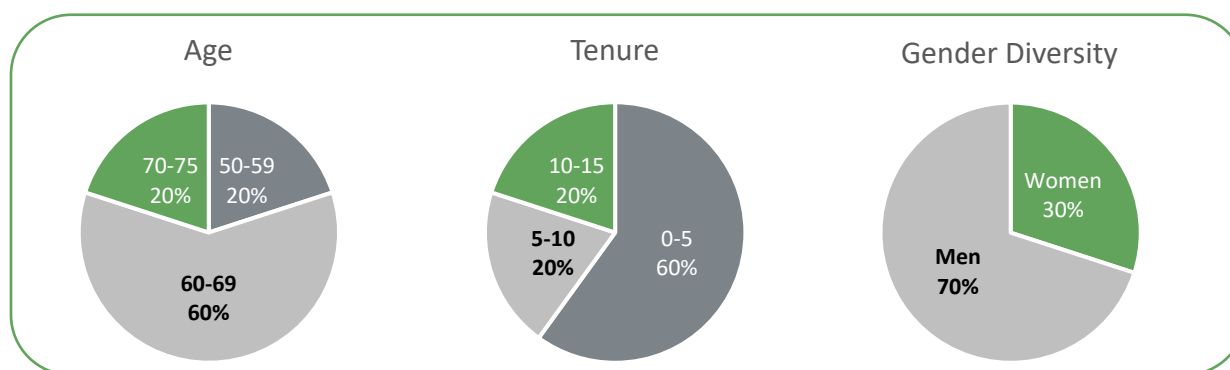
The GNC also conducts an annual skills matrix survey to ensure the Board possesses the requisite experience, expertise and business and operational insight for the effective stewardship of the Corporation. See *“Skills Assessment and Nomination”*.

In 2020, after a detailed review of the best practices for Board renewal, the Board concluded that mandatory retirement age requirements and term limits are arbitrary and overly prescriptive and that Shareholders are best served by a balance between long-standing directors who have developed in-depth knowledge of the Corporation and the need for renewal and fresh perspectives. Further, the Board does not consider a long tenure to be a detriment to the Corporation or that it would prevent a director from acting independently of management. The GNC reviews the composition of the Board on an annual basis, in relation to the Corporation’s director skills matrix and diversity requirements, and recommends changes, as appropriate, to renew the Board. Based upon the foregoing, the Board decided to terminate its Director Tenure Policy in 2020.

The Board has experienced significant turnover during the past few years. Since 2018, five new directors have been elected, each of whom bring valuable skills and experience to the Company and the Board. The Board’s tenure profile balances experience, diversity and the need for Board renewal. The following charts show the Corporation’s director tenure, age and gender diversity.

Average age of Director Nominees
66
Average tenure of Director Nominees
4.8 years

	Age			Tenure (years of service)		
	50-59	60-69	70-75	0-5	5-10	10-15
Grant D. Billing		✓		✓		
Ian D. Bruce		✓		✓		
Derek W. Evans		✓		✓		
Judy A. Fairburn	✓			✓		
Robert B. Hodgins		✓				✓
William R. Klesse			✓	✓		
Susan M. MacKenzie		✓		✓		
Jeffrey J. McCaig		✓			✓	
James D. McFarland			✓			✓
Diana J. McQueen	✓				✓	
Total	2 (20%)	6 (60%)	2 (20%)	6 (60%)	2 (20%)	2 (20%)
Average	66 years			4.8 years		



Majority Voting Policy

The Corporation has adopted a Majority Voting Policy that applies in respect of director elections at any meeting of the Corporation's Shareholders where an "uncontested election" of directors is held and which fully complies with TSX rules. Pursuant to this Policy, the forms of proxy circulated in connection with a meeting of Shareholders at which an uncontested election of directors is to be conducted shall provide Shareholders with the ability to vote in favour of, or to withhold from voting for, each director nominee. If the number of votes withheld for a particular director nominee is greater than the number of votes in favour of such nominee, the director nominee shall be required to immediately tender an offer of his or her resignation to the Board Chair following the applicable meeting of Shareholders.

The Majority Voting Policy provides that following receipt of an offer of resignation tendered pursuant to this Policy, the GNC shall consider whether or not to accept the offer of resignation and shall recommend to the Board whether or not to accept it. In accordance with the TSX rules, the GNC would be expected to recommend that the Board accept an offer of resignation, and the Board would be expected to accept an offer of resignation absent exceptional circumstances. The Board must decide whether or not to accept the offer of resignation within 90 days of the meeting. The resignation will be effective when accepted by the Board and the director who tendered his or her offer of resignation will not participate in any meeting at which the offer of resignation is considered.

Promptly following the decision of the Board to accept, or not to accept, an offer of resignation pursuant to this Policy, the Corporation shall issue a news release with the Board's decision, a copy of which news release must be provided to the TSX. If the Board determines not to accept an offer of resignation, the news release shall fully state the reasons for that decision.

The Corporation's Majority Voting Policy is available on MEG's website at www.megenergy.com under "About Us" – "Governance".

Ethical Business Conduct

Business Conduct Charter

The Board has adopted a Business Conduct Charter (the "BCC") that applies to all directors, officers, employees and consultants of the Corporation and to all of the Corporation's suppliers and service providers. The BCC addresses issues such as conflicts of interest, fair dealing, insider trading, privacy matters, and disclosure of material information. Copies of the BCC and other governance related documents may be obtained upon request from the General Counsel of the Corporation (587-293-6060) and are available on the Corporation's website at www.megenergy.com under "About Us" – "Governance". The BCC is also available on SEDAR at www.sedar.com.

A copy of the BCC is provided to each current director, officer, employee and consultant of the Corporation and each such person is required to acknowledge annually that they have read the BCC and has disclosed any transactions or matters of potential conflict. A copy of the BCC is provided to each new director, officer, employee and consultant of the Corporation and each such person is required to acknowledge that they have read the BCC before commencing activities as a director, officer, employee or consultant.

No material change reports have been filed by the Corporation relating to a director's or executive officer's departure from the BCC. There has been no conduct of a director or executive officer that has constituted a departure from

the BCC, and no waivers of the BCC have ever been granted to any director, officer, employee or consultant of the Corporation.

Directors who have, or may be reasonably perceived to have, a personal interest in a transaction or agreement being contemplated by the Corporation are required to declare such interest at any meeting at which the matter is being considered and, when appropriate, will leave the meeting during discussion and abstain from voting on such matter.

The Corporation maintains a confidential and anonymous whistle-blowing line known as MEG's Confidence Line, which is overseen by the Audit Committee. Stakeholders may call or make submissions to the Confidence Line by phone or internet. Submissions are received and tracked by an independent third-party service provider.

Complaints under the BCC or other policies can be anonymously reported to a third party by calling 1-800-661-9675 or visiting www.meg-energy.confidenceline.net

Respectful Workplace Policy

The Corporation is committed to an ethical and respectful workplace. In furtherance of this commitment, the Corporation has adopted a Respectful Workplace Policy. The purpose of the Policy is to foster a respectful workplace where all individuals are treated with dignity and respect by ensuring a common understanding by all the Corporation's employees, contingent workers and vendors of what constitutes appropriate workplace behaviour and actions, and setting out the Corporation's commitment to eliminate harassment and violence in the workplace and to investigate all reported incidents of harassment and violence in the workplace.

The Respectful Workplace Policy is available on the Corporation's website at www.megenergy.com under "About Us" – "Governance".

Insider Trading and Disclosure Policy

The Corporation has adopted an Insider Trading and Disclosure Policy. The purpose of this Policy is to ensure that all representatives of the Corporation understand and comply with their legal obligations relating to trading in securities and the disclosure of information and to provide for procedures governing the disclosure of information by any representatives of the Corporations. This Policy applies to all directors, officers, employees and consultants of the Corporation.

The Insider Trading and Disclosure Policy is available on the Corporation's website at www.megenergy.com under "About Us" – "Governance".

Lobbying Policy

As part of the Corporation's commitment to maintaining and enforcing the highest standards of ethics and professionalism, the Corporation has adopted Lobbying and Advocacy Policy to govern the Corporation's activities relating to public policy, participation in industry groups and lobbying and political contributions. The Policy requires transparency with stakeholders with respect to the Corporation's activities in relation to public policy matters and requires that the Corporation disclose a list of industry group memberships that it maintains to which the Corporation pays annual dues greater than \$5,000 and which may participate in lobbying activities. The Policy also requires compliance with all applicable laws respecting lobbying, including the *Lobbying Act* (Canada) and the *Lobbyists Act* (Alberta). The Corporation maintains the required registrations of lobbying communications with public office holders, including reporting of employees who are lobbyists for or on behalf of the Corporation and maintaining internal procedures and protocol to ensure compliance.

The Corporation does not make contributions, financial or in kind, to political parties, committees or candidates and does not expressly support or advocate on behalf of such political parties, committees or candidates. Directors, officers and employees of the Corporation may make political contributions or become involved in political activities provided such contributions and activities are undertaken on their own behalf, on a personal level, and not as a representative of the Corporation.

All directors, officers and employees of the Corporation are required to acknowledge their understanding of and compliance with this Policy upon appointment to their position or the commencement of their employment with the Corporation and annually thereafter. The Corporation also requires its third-party contractors and consultants to abide by these same principles.

The Lobbying Policy is available on the Corporation's website at www.megenergy.com under "About Us" – "Governance".

Human Rights Policy Statement

In support of the Business Conduct Charter, the Corporation has adopted a Human Rights Policy Statement to ensure that the Corporation's directors, officers, employees and consultants, as well as the Corporation's suppliers and service providers, uphold and respect human rights as reflected in the UN Universal Declaration of Human Rights and the Canadian Charter of Rights and Freedoms in their business practices. The Corporation is committed to compliance with all laws, regulations, rules and standards concerning respect for human rights of each country in which the Corporation conducts business. In addition, the Corporation is committed to ensuring that human rights are respected in the conduct of all of its activities, including prohibiting discrimination of minorities, whether based on gender, race or other minority status; prohibiting child labour, forced, involuntary, compulsory or slave labour, or modern slavery practices; respecting fundamental freedoms of all individuals, including freedom of thought, belief, opinion and expression, the freedom of peaceful assembly, the freedom of association and collective bargaining and other rights and freedoms; ensuring safe working conditions for all employees and contracts in accordance with applicable laws and best industry practices; and ensuring its security policies and guidelines are consistent with applicable laws and best industry practices.

The Human Rights Policy Statement is available on the Corporation's website at www.megenergy.com under "About Us" – "Governance".

Indigenous Peoples Policy

The Corporation is committed to maintaining and strengthening long-term relationships with Indigenous peoples and communities. In 2021, the Corporation adopted an Indigenous Peoples Policy. The key principles of the policy are:

- Acknowledge the importance of both the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) within the Canadian legal framework and the 94 Calls to Action in the Final Report from the Truth and Reconciliation Commission of Canada, in recognizing the role that the corporate sector can play in the path towards reconciliation;
- Foster a work environment that recognizes the importance of learning from and respecting the cultures in which the Corporation operates, in order to create an inclusive work environment and a better relationship with Indigenous peoples and communities;
- Engage in an early, inclusive and collaborative consultation process that meets or exceeds governmental standards but also the unique needs of each community through meaningful engagement throughout the life of the project; and
- Commit to working with Indigenous peoples to achieve benefit from MEG's operations on their traditional land, through opportunities in procurement, employment, business development, training, education and community development.

These key principles are a shared responsibility involving all of the Corporation's directors, executives, employees and contractors. The Corporation's Executive ESG Committee is responsible for establishing and annually reviewing measurable objectives for achieving sustainable relationships with Indigenous peoples and communities based upon the foregoing policies.

Shareholder Engagement

The Corporation has adopted a Shareholder Engagement Policy which outlines how Shareholders can communicate with the Board and management. The Corporation understands that regular and constructive communications with Shareholders and stakeholders is an important part of creating a candid and productive dialogue. The Corporation regularly engages with its Shareholders and other stakeholders. In addition to accurate and consistent public reporting, the Corporation carries out its Shareholder and stakeholder engagement activities through a variety of methods, including its annual Shareholder meeting, management road shows, investor conferences, industry-specific conferences and one-on-one meetings. The Corporation hosts a dial-in conference call every quarter that is

open to the public and includes a question and answer period. The Corporation also asks investors for feedback at all engagement opportunities, as well as by e-mail and by telephone.

The Corporation's directors are also available to meet directly with Shareholders, as appropriate. Interested parties can contact our board members through the corporate secretary at the address below. Board members in attendance at the Corporation's annual Shareholder meeting are available to respond to questions and receive feedback from investors.

Chair of the Board of Directors
c/o Corporate Secretary
MEG Energy Corp.
21st Floor, 600 – 3rd Avenue S.W.
Calgary, Alberta T2P 0G5

Shareholders can also contact our Investor Relations department any time, by letter, e-mail at invest@megenergy.com or by telephone at 403.767.6206.

The Corporation's Shareholder Engagement Policy is available on the Corporation's website at www.megenergy.com under "About Us" – "Governance".

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

The Corporation is not aware of any individuals who are either current or former executive officers, directors or employees of the Corporation and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of the Corporation or otherwise) that is owing to (i) the Corporation, or (ii) another entity where such indebtedness is 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.

Except for (i) indebtedness that has been entirely repaid on or before the date of this Circular, and (ii) "routine indebtedness" (as defined in Form 51-102F5 to National Instrument 51-102 *Continuous Disclosure Obligations*), the Corporation is not aware of any individuals who are, or who at any time during 2020 were, a director or executive officer of the Corporation, a proposed nominee for election as a director of the Corporation, or an associate of any of those directors, executive officers, or proposed nominees, who are, or have been at any time since January 1, 2020, indebted to the Corporation, or whose indebtedness to another entity is, or at any time since January 1, 2020 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There has been no transaction since January 1, 2020 and there is no proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries in respect of which any "informed person" (as defined in National Instrument 51-102 *Continuous Disclosure Obligations*) of the Corporation, any proposed nominee for director of the Corporation, or any associate or affiliate of any of such persons had a direct or indirect material interest.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's financial statements and management's discussion and analysis ("MD&A") for the Corporation's most recently completed financial year. Additional information relating to the Corporation is contained in the Corporation's Annual Information Form. Copies of the financial statements, MD&A and the Annual Information Form of the Corporation are available on MEG's website, www.megenergy.com under "Investors", "Financial Information" and on SEDAR at www.sedar.com. Shareholders may contact our Investor Relations department any time by e-mail at invest@megenergy.com or by telephone at 403.767.6206 to request a copy of the Corporation's financial statements and MD&A for the financial year ended December 31, 2020.

ADVISORIES

Non-GAAP Financial Measures

Certain financial measures in this Circular, namely free cash flow, total debt and net debt to 12-months EBITDA, do not have a standardized meaning as prescribed by IFRS and therefore may not be comparable to similar measures provided by other companies. These non-GAAP financial measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS.

Free Cash Flow

Free cash flow is presented to assist management and investors in analyzing performance by the Corporation as a measure of financial liquidity and the capacity of the business to repay debt. Free cash flow is calculated as adjusted funds flow less capital expenditures. Adjusted funds flow is defined in Note 26 of the Corporation's annual 2020 Financial Statements.

Total Debt and Net Debt to 12-Months EBITDA

Total debt and net debt to 12-months EBITDA are presented as performance measures in the Corporate Performance Scorecard. Total debt is defined as long-term debt excluding debt redemption premiums and unamortized deferred debt discount and debt issue costs. Net debt is calculated as long-term debt less cash and cash equivalents and is defined in Note 26 of the Corporation's annual 2020 Financial Statements. Net debt to 12-months EBITDA is calculated as the ratio of net debt to net earnings (loss) excluding net finance expense, depletion and depreciation, unrealized foreign exchange gains and losses on long-term debt, unrealized gains and losses on risk management, income tax expenses and recoveries as well as adjustments for certain non-recurring items, calculated on a trailing 12-month basis.

Forward-Looking Information

This Circular contains forward-looking statements and other information (collectively "forward-looking information") about the Corporation's current expectations, estimates and projections, made in light of the Corporation's experience and perception of historical trends. This forward-looking information is identified by words such as "believe", "expect", "goal", "plan", "future", "target", "focus", "potential", "may" or similar expressions and includes suggestions of future outcomes. Readers are cautioned not to place undue reliance on forward-looking information as the Corporation's actual results may differ materially from those expressed or implied. Developing forward-looking information involves reliance on a number of assumptions and consideration of certain risks and uncertainties, some of which are specific to the Corporation and others that apply to the industry generally. The factors or assumptions on which the forward-looking information is based include assumptions disclosed in the Corporation's Annual Information Form available on SEDAR at sedar.com and other risks and uncertainties that could cause the Corporation's actual results to differ materially, as identified in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2020. Information on or connected to the Corporation's website www.megenergy.com does not form part of this Circular.

APPENDIX A

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Board of Directors Mandate

1. STEWARDSHIP

The board of directors (the "Board") of MEG Energy Corp. (the "Corporation") is responsible for the overall stewardship of the Corporation and for overseeing the conduct of the business of the Corporation and the activities of management, who are responsible for the day-to-day conduct of the business.

2. COMPOSITION AND OPERATION

The Board operates by reserving certain powers to itself and delegating certain of its authorities to management. The Board retains responsibility for managing its own affairs, including selecting its chair, planning its composition and size, nominating candidates for election to the Board, determining independence of Board members (as defined in Section 2.1 of Canadian Securities Administrators National Policy 58-201 "Corporate Governance Guidelines"), constituting committees of the Board, determining director compensation, discussing matters of interest separate from and independent of any influence from management at each meeting of the Board, and assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities. Subject to the articles and by-laws of the Corporation and the Business Corporations Act (Alberta) (the "ABCA"), the Board may constitute committees of the Board and seek the advice of, and delegate powers, duties and responsibilities to, its committees and management.

3. RESPONSIBILITIES

The Board's primary responsibilities are to preserve and enhance long-term shareholder value and to ensure that the Corporation meets its obligations on an on-going basis and operates in a safe and environmentally responsible manner. In performing its duties, the Board should also consider the legitimate interests that other stakeholders, such as employees, customers and communities, may have in the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, risk management and mitigation, senior management determination and monitoring, communication planning, compensation policies and guidelines, and internal control integrity. More specifically, the Board is responsible for

- (a) to the extent feasible, satisfying itself as to the integrity of the chief executive officer (the "CEO") and other officers and that the CEO and other officers create a culture of integrity throughout the Corporation,
- (b) adopting a strategic planning process and approving, on an annual basis, a business plan for the Corporation that takes into account, among other things, the opportunities and risks of the business,
- (c) developing the Corporation's approach to enterprise risk management (ERM), including identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks,
- (d) succession planning, including appointing, training and monitoring senior management,
- (e) adopting a communication policy for the Corporation,
- (f) monitoring the integrity of the Corporation's internal control and management information systems,
- (g) developing the Corporation's approach to environmental, social and governance (ESG) risks and opportunities,
- (h) developing the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation,
- (i) developing the Corporation's compensation policies and guidelines and the Corporation's goals and objectives relevant to compensation, and

- (j) on an individual basis, attending Board meetings, reviewing meeting materials in advance of meetings, and complying with the other expectations and responsibilities of directors of the Corporation established by the Board.

In discharging these responsibilities and the specific duties set out below, the Board will utilize and direct management of the Corporation to the extent the Board considers to be appropriate.

4. SPECIFIC DUTIES

The Board's specific duties, obligations and responsibilities fall into the following categories.

4.1 Legal Obligations

- (a) The Board has oversight responsibility for the Corporation's satisfaction of its legal obligations and for the preparation and maintenance of the Corporation's documents and records.
- (b) The Board has the statutory obligation to
 - (i) manage or supervise the management of the business and affairs of the Corporation, and
 - (ii) act in accordance with the provisions of the ABCA and the regulations thereunder, the Corporation's articles and by-laws, and other relevant legislation and regulations.
- (c) Each director of the Corporation in exercising the director's powers and discharging the director's duties has the statutory obligation to
 - (i) act honestly and in good faith with a view to the best interests of the Corporation, and
 - (ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.
- (d) The Board has the statutory obligation to consider the following matters as a board of directors and may not delegate to management or to a committee of the Board any authority with respect to these matters:
 - (i) submit to the shareholders any question or matter requiring the approval of the shareholders,
 - (ii) fill a vacancy among the directors or in the office of auditor,
 - (iii) appoint additional directors,
 - (iv) issue securities except in the manner and on the terms authorized by the Board,
 - (v) declare dividends,
 - (vi) purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the Board,
 - (vii) pay a commission to any person in consideration of the person's purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for shares of the Corporation,
 - (viii) approve a management proxy circular relating to a solicitation of proxies by or on behalf of the management of the Corporation,
 - (ix) approve any annual financial statements of the Corporation and any interim financial statements that are required to be placed before the shareholders at an annual meeting held more than six months after the first day of a financial year, and
 - (x) adopt, amend or repeal by-laws.

4.2 Reserves

- (a) The Board or a committee of the Board is responsible for the preparation and presentation of reserves data and other information associated with oil and gas activities and shall review, with reasonable frequency, the Corporation's procedures relating to the disclosure of information with respect to oil and gas activities, including its procedures for complying with the disclosure requirements and restrictions contained in National Instrument 51-101 ("NI 51-101").
- (b) The Board or a committee of the Board is responsible for reviewing, with reasonable frequency, the Corporation's procedures for providing information to the qualified reserves evaluator or auditor who reports on reserves data.
- (c) Before approving the filing of reserves data and the report of a qualified reserves evaluator or auditor thereon, the Board or a committee of the Board shall meet with management and the qualified reserves evaluator or auditor to
 - (i) determine whether any restrictions affect the ability of the qualified reserves evaluator or auditor to report on reserves data without reservation, and
 - (ii) review the reserves data and the report of the qualified reserves evaluator or auditor.
- (d) As required by applicable law, the Board shall review and approve
 - (i) the content and filing of the Corporation's statements of reserves data and other oil and gas information on Form 51-101F1,
 - (ii) the filing of reports on reserves data by qualified reserves evaluators or auditors on Form 51-101F2, and
 - (iii) the content and filing of reports of management and directors on oil and gas activities on Form 51-101F3.

4.3 Strategic Planning

The Board is responsible for ensuring that there are long-term goals and a strategic planning process in place for the Corporation and participating with management directly or through its committees in approving the strategic plans by which the Corporation proposes to achieve its goals.

4.4 Risk Management

The Board is responsible for

- (a) understanding the principal risks of the business in which the Corporation is engaged, achieving a proper balance between risks incurred and the potential return to shareholders, and confirming that there are systems in place that effectively monitor and manage those risks with a view to the long-term viability of the Corporation,
- (b) overseeing the Corporation's enterprise risk management program, including its design and structure and assessment of its effectiveness,
- (c) overseeing the Corporation's principal risks directly or, where the Board determines it to be appropriate, delegating the oversight of certain individual risks to a committee of the Board,
- (d) approving management's approach to enterprise risk management and its mitigation practices, including the identification, assessment and mitigation of principal risks, and satisfying itself as to the effective oversight of risk management of individual risks by the Board or its committees through periodic reports from the committee chair or management, as appropriate, and
- (e) reviewing insurance coverage annually.

4.5 Appointment, Training and Monitoring of Senior Management

The Board is responsible for

- (a) appointing the CEO, monitoring and assessing the CEO's performance, determining the CEO's compensation, and providing advice and counsel to the CEO in the execution of the CEO's duties,
- (b) approving the appointment and compensation of all other officers of the Corporation, and
- (c) confirming that adequate provision has been made for the training and development of management and for the orderly succession of management.

4.6 Environmental, Social and Governance (ESG) Matters

The Board is responsible, either directly or through its committees, for

- (a) overseeing ESG issues which impact the Corporation, including overseeing and monitoring management systems and processes relating to the identification, assessment and management of ESG risks and opportunities. Environmental considerations include, but are not limited to, climate-related issues, greenhouse gas emissions, air and water impacts, and land and wildlife management. Social considerations include, but are not limited to, human rights, employee wellbeing, relationships with Indigenous communities and local communities, equality, diversity and inclusion, and health and safety,
- (b) developing the Corporation's approach to corporate governance issues, principles, practices and disclosure, including practices to ensure the Board functions independent of management,
- (c) approving and monitoring of a code of business conduct and ethics for directors, officers, employees and contractors,
- (d) overseeing and monitoring of metrics and targets used by the Corporation to assess and manage relevant ESG risks and opportunities, and
- (e) reviewing the Corporation's ESG reports and other reporting on ESG matters.

4.7 Reporting and Communication

The Board is responsible for

- (a) verifying that the Corporation has in place policies and programs to enable the Corporation to communicate effectively with its shareholders, other stakeholders and the public generally,
- (b) verifying that the financial performance of the Corporation is adequately reported to shareholders, other security holders, regulators and the public on a timely and regular basis,
- (c) verifying that the Corporation's financial results are prepared and reported fairly and in accordance with generally accepted accounting principles,
- (d) verifying the timely reporting of any other developments that have a material effect on the Corporation, and
- (e) reporting annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year.

The Board assigns to the chair of the Board and the CEO responsibility for bringing to the attention of the Board feedback received by them from shareholders and other stakeholders of the Corporation. To encourage and facilitate such feedback, instructions for submitting feedback will be disclosed annually in the Corporation's management information circular and will be posted on the Corporation's web site.

4.8 Monitoring and Acting

The Board is responsible for

- (a) verifying that the Corporation operates at all times within applicable laws and regulations to the highest ethical standards,
- (b) approving annual operating and capital budgets and amendments thereto outside of the range of delegation authorities,
- (c) approving and monitoring compliance with the significant policies and procedures by which the Corporation is operated,
- (d) verifying that the Corporation sets high environmental standards in its operations and is in compliance with environmental laws and regulations,
- (e) verifying that the Corporation has in place appropriate programs and policies for the health and safety of its employees in the workplace,
- (f) monitoring the Corporation's progress toward its goals and objectives and revising and altering its direction through management in response to changing circumstances,
- (g) taking action when the Corporation's performance falls short of its goals and objectives or when other circumstances warrant action,
- (h) verifying that the Corporation has implemented adequate information systems, disclosure controls and procedures, and internal control over financial reporting,
- (i) ensuring that the Board receives from senior management on a timely basis the information and input required to enable the Board to perform its duties effectively,
- (j) adopting a written business conduct charter and monitoring compliance with the charter, and
- (k) conducting and acting upon annual assessments and evaluations of the Board, committees of the Board and individual directors.

4.9 Other

The Board may exercise or delegate any other powers consistent with this mandate, the Corporation's articles and by-laws, and any governing laws, as the Board deems necessary or appropriate. The powers of the Board may be exercised by a resolution passed at a meeting of the Board at which a quorum is present or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of the Board. If there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office. At each meeting of the Board, the independent directors shall have a meeting in the absence of non-independent directors and members of management.

5. REVIEW

This mandate will be reviewed by the Governance and Nominating Committee of the Board annually or, where circumstances warrant, at such shorter interval as necessary, to determine if further additions, deletions or other amendments are required.

Approved by the Board on October 26, 2020.

Last reviewed and approved by the Governance and Nominating Committee on October 26, 2020.

APPENDIX B

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Summary of DSU Plan, Option Plan and RSU Plans

DSU Plan

The DSU Plan authorizes the Board to grant DSUs to directors (individually a "Participant" and collectively "Participants") of the Corporation or any of its affiliates (the "Corporate Group"). The purpose of the DSU Plan is to provide directors with the opportunity to be credited with DSUs thereby allowing them to participate in the long-term success of the Corporation and promoting a greater alignment of interests between the directors and shareholders of the Corporation. In addition, the DSU Plan provides a compensation system for directors that, together with the other director compensation mechanisms of the Corporation, are reflective of the responsibility, commitment and risk accompanying Board membership and the performance of the duties required of the various committees of the Board. The material terms of the DSU Plan are summarized below:

Definition of DSU

A DSU is a unit of participation in the DSU Plan, equivalent in value to a Common Share at the time of grant, and credited by means of a bookkeeping entry to a Participant's account, each of which entitles the holder thereof, at the time specified in the DSU Plan, to receive the cash equivalent of one Common Share or, if the Corporation so determines, in its discretion, a Common Share acquired on the open market, subject to the provisions of the Plan.

Administration

The DSU Plan is administered by the Administrator (as defined below) or its designated third-party service provider, which has full authority to: (a) interpret the DSU Plan and establish, amend and rescind any rules and regulations relating to the DSU Plan; and (b) make such determinations as it considers necessary or desirable for the administration of the DSU Plan. The "Administrator" is, to the extent permitted by law and subject to regulatory approval, the Board, any committee of the Board or any one or more persons to whom the Board delegates any or all of its administrative responsibilities under the DSU Plan.

Grant of DSUs and Redemption

The Board may, subject to the terms of the DSU Plan, grant such number of DSUs to a director as the Board determines to be appropriate in respect of the services the director renders to the Corporation as a member of the Board. The Board shall determine the date on which such DSUs shall be granted and credited to a Participant's account and such date shall be the award date. Unless otherwise specified by the Board, DSUs credited to a Participant's account shall be fully vested at the time awarded.

On the earlier of (a) December 15 of the first calendar year starting after the date on which a Participant ceases to be a director of a member of the Corporate Group, and (b) the fifth business day following the date on which a Participant delivers a redemption notice, or, in respect of a US Participant, on the date such US Participant ceases to be a director of a member of the Corporate Group (as applicable, the "Redemption Date"), the Participant shall become entitled to receive from the Corporation a cash payment equal to the product of the number of DSUs recorded in the Participant's account multiplied by the Market Price on the Redemption Date, less applicable withholding taxes or, if a redemption notice has been delivered, the product of the number of DSUs specified in such redemption notice multiplied by the Market Price on the Redemption Date, less applicable withholding taxes. A Participant, other than a US Participant, may deliver up to two redemption notices prior to the date specified in (a) above.

Subject to the terms of the DSU Plan and the receipt of all necessary shareholder approvals as required under the rules, regulations and policies of the TSX and any other stock exchange on which the Common Shares are then listed or traded, the Corporation may, in lieu of the cash payment, elect to acquire, through a broker designated by the Participant who is independent of the Corporation, on behalf of such Participant, the number of whole Common

Shares that is equal to the number of whole DSUs recorded in the Participant's account on the Redemption Date, less applicable withholding taxes. In such a case, the Corporation shall contribute to such broker an amount of cash sufficient to purchase the whole number of Common Shares to which the Participant is entitled and the broker shall, as soon as practicable thereafter, purchase those Common Shares, on behalf of such Participant, through the facilities of the TSX (or other stock exchange on which the Common Shares are listed or traded).

All amounts payable to or in respect of a Participant shall be paid or delivered on or before December 31 of the calendar year commencing immediately following the Termination Date of such Participant.

No payment in respect of DSUs credited to a Participant may be made until such Participant's Redemption Date.

Transfers and Assignments

DSUs may not be transferred, assigned, sold, encumbered, pledged or charged except as required by law or as contemplated in the DSU Agreement.

Adjustments in Connection with an Alteration of the Common Shares

In the event of any subdivision, consolidation or distribution of Common Shares to the shareholders of the Corporation (excluding by way of dividend payment in the ordinary course or a distribution of Common Shares under any compensation arrangement of the Corporation or any of its subsidiaries or other affiliates controlled by the Corporation, that contemplates the issuance of Common Shares from treasury), or upon a capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, arrangement or other form of business combination of the Corporation with another person, or a sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders (other than by way of dividend payment in the ordinary course), then the account of each Participant and the DSUs outstanding under the DSU Plan shall be adjusted in such manner, if any, as the Board deems appropriate in order to preserve, proportionally, the interests of Participants under the DSU Plan, provided that the dollar value of DSUs credited to a Participant's account immediately after such an adjustment shall not exceed the dollar value of the DSUs credited to such Participant's account immediately prior thereto and provided further that the value of DSUs shall always depend on the fair market value of shares in the capital stock of the Corporation. All adjustments shall, at all times, be such that the DSU Plan and any DSUs continuously comply with the requirements of paragraph (d) of Regulation 6801 to the Tax Act.

Blackout Periods

If the Redemption Date occurs during a Blackout Period or within three business days of the expiry of a Blackout Period, then the Redemption Date shall be the earlier of: (i) the 10th business day after expiry of the Blackout Period; and (ii) December 15th of the calendar year commencing immediately following the date on which the Participant ceases to be a director of a member of the Corporate Group (the "Termination Date"), provided that, under no circumstances, shall the Redemption Date be later than December 15th of the calendar year commencing immediately following such Termination Date.

Amendment, Suspension or Termination

The Board may amend, suspend or terminate the DSU Plan, or any portion thereof, without shareholder approval, at any time, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX, if any), that require the approval of shareholders or any governmental or regulatory body be obtained.

The Board may not, without the consent of any affected holder of a DSU, alter or impair any of the rights or obligations under any DSUs previously granted under the DSU Plan.

Any amendment, suspension or termination of the Plan shall be such that the Plan and the DSUs granted thereunder continuously satisfy the requirements of paragraph (d) of Regulation 6801 to the Tax Act.

The DSU Plan will finally cease to operate for all purposes when the last remaining Participant receives payment in respect of all DSUs recorded in the Participant's account.

Corporation Adjustments and the DSU Plan

The existence of any outstanding DSUs shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, units or other securities of the Corporation or the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Option Plan

The Option Plan authorizes the Board to grant options to purchase Common Shares ("Options") to officers, employees and consultants of the Corporation and any of its subsidiaries and the Option Plan also governs Options granted to directors of the Corporation or any of its subsidiaries prior to June 2, 2016 (such officers, employees, consultants and such directors only in respect of Options granted prior to June 2, 2016, each individually a "Service Provider" and collectively "Service Providers"). The purpose of the Option Plan is to provide an effective long-term incentive for the Service Providers from time to time.

Administration

The Option Plan permits the granting of Options to officers, employees and consultants of the Corporation and its subsidiaries (the "Corporate Group") from time to time. The Option Plan is administered by the Board, any committee of the Board or any other one or more persons to whom the Board delegates any or all of its administrative responsibilities under the Option Plan.

Certain Restrictions

The Option Plan limits the number of Common Shares that may be issued on exercise of Options to 5% of the number of Common Shares which are issued and outstanding from time to time, less the number of Common Shares issuable pursuant to all other security based compensation arrangements (as such term is referred to in the policies of the TSX) of the Corporate Group. Any Common Shares, the Options in respect of which have been exercised, or which have expired or terminated for any reason without having been exercised in full, shall be available for grant pursuant to subsequently issued Options. Pursuant to the TSX rules, shareholder approval with respect to all unallocated Options under the Option Plan is required to be sought by the Corporation every three years following the initial adoption of the Option Plan. Such approval was last obtained at the annual and special meeting of Shareholders held in 2019.

The Option Plan contains the following limitations: (a) the aggregate number of Common Shares issuable to any one Service Provider under the Option Plan and all other security based compensation arrangements of the Corporate Group shall not exceed 5% of the issued and outstanding Common Shares; (b) the aggregate number of Common Shares issuable to insiders (as such term is referred to in the policies of the TSX) under the Option Plan and all other security based compensation arrangements of the Corporate Group shall not exceed 5% of the issued and outstanding Common Shares; (c) during any one-year period, the aggregate number of Common Shares issued to insiders under the Option Plan and all other security based compensation arrangements of the Corporate Group shall not exceed 5% of the issued and outstanding Common Shares; and (d) subsequent to June 2, 2016, directors of any member of the Corporate Group who are not employees of any member of the Corporate Group shall not be eligible to receive grants of Options. The restrictions referred to in (b) through (d) above are referred to as the "Stock Option Plan Insider and Independent Director Participation Restrictions."

Exercise Price

The exercise price of Options shall not be lower than the volume weighted average trading price of the Common Shares traded through the facilities of the TSX for the five trading days on which the Common Shares traded immediately preceding the grant date (the "Market Price"). In the event the Common Shares are not then listed and posted for trading on the TSX or any other stock exchange in Canada, the Market Price shall be the fair market value of the Common Shares as determined by the Board, in its discretion, acting reasonably and in good faith.

No holder of Options shall be entitled to, offered or provided by the Corporation any financial assistance of any kind for the purpose of exercising any Options granted pursuant to the Option Plan.

Term and Vesting

Unless otherwise determined by the Board and subject to any other provisions of the Option Plan which operate to shorten the term within which Options may be exercised, Options may be exercised for a term not exceeding 10 years from the date of grant. Upon expiration, unexercised Options become null and void. The Corporation sets the vesting schedule of Options at the date of grant. The Corporation's general practice since being public has been to grant Options that are scheduled to vest at a rate of one-third on or about each of the first three anniversary dates of the grant and that are scheduled to expire seven years from the date of the grant. The Corporation intends to maintain its current practice and not grant any Options which are scheduled to vest materially less than one year from the date of the grant.

Each grant of an Option will be set forth in a grant agreement containing the applicable terms or conditions required in the Option Plan and such other terms and conditions as the Corporation may deem appropriate. Without limiting the generality of the foregoing, such additional terms and conditions may include terms or conditions relating to: (a) the market price of the Common Shares; (b) the return to holders of Common Shares, with or without reference to other comparable companies; (c) the financial performance or results of the Corporation or a subsidiary; (d) the achievement of performance criteria relating to the Corporation or a subsidiary; and (e) any other terms and conditions the Board may in its discretion determine with respect to vesting or the acceleration of vesting, each of which shall be set out in a Grant Agreement. The conditions may relate to all or a portion of the Options in a grant and may be graduated such that different percentages (which may be greater or lesser than 100%) of the Options in a grant will become vested depending on the extent of satisfaction of one or more such conditions. The Board may, in its discretion, subsequent to the Grant Date of an Option, waive any such term or condition, other than performance criteria, or determine that it has been satisfied subject to applicable law.

Early Termination

If a holder of Options ceases to be a Service Provider:

- by reason of death, all outstanding unvested Options held by such holder will vest and be immediately exercisable. Only the person(s) to whom the holder's rights under the Options pass by the holder's will, or applicable law, will have the right to exercise the holder's outstanding and vested Options at any time up to and including (but not after) the expiry date of such Options;
- by reason of retirement, all outstanding unvested Options held by such holder will be governed by the policies of the Corporation in effect at the time the Participant ceases to be a Service Provider due to retirement;
- by reason of termination for cause, all Options held by such holder will be forfeited and rendered null and void;
- by reason of voluntary resignation, such holder shall have the right to exercise part or all of his or her outstanding vested Options at any time up to and including (but not after) the earlier of: (i) the date which is 60 days following the date of such holder's resignation; and (ii) the expiry date of the vested Options; or
- by any reason other than the death, retirement, termination for cause or voluntary resignation, such holder will have the right to exercise part or all of his or her outstanding vested Options at any time up to and including (but not after) the earlier of: (i) the date which is 120 days following the date that such holder ceased to be a Service Provider; and (ii) the expiry date of the vested Options.

Transfers and Assignments

Options may not be transferred or assigned, other than for normal estate settlement purposes. Subject to the requirements of applicable law, a holder may designate in writing an individual as a beneficiary to receive the right, upon the death of such holder, to exercise part or all of the holder's outstanding and vested Options at any time up to and including (but not after) the expiry date of the Options. The holder may, subject to applicable laws, alter or

revise such designation from time to time. The original designation or any change thereto shall be in the form as the Board may, from time to time, determine.

Adjustment in Connection with an Alteration of the Common Shares

In the event: (a) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (b) that any rights are granted to all or substantially all shareholders to purchase Common Shares at prices substantially below the Market Price of the Common Shares at the time; or (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities or property; then, subject to TSX approval, the Board may make such adjustments to the Stock Option Plan, to any Options and to any related agreements outstanding under the Option Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to holders of Options and/or to provide for the holders to receive and accept such other securities or property in lieu of Common Shares, and the holders shall be bound by any such determination. If the Corporation fixes a record date for a distribution to all or substantially all the holders of Common Shares of cash or other assets (other than a dividend in the ordinary course of business), the Board may, in its sole discretion, but for greater certainty shall not be required to, make adjustments to the exercise price of any Options outstanding on the record date for such distribution, and make such amendments to any option agreements outstanding under the Option Plan to give effect thereto as the Board may, in its sole discretion, consider appropriate in the circumstances.

Adjustment in Connection with Certain Corporate Events

Except in the case of a transaction that is, or if completed in accordance with its terms would result in, a Change of Control (as that term is defined under the heading "*Acceleration of Vesting on Change of Control*" below) of the Corporation, if the Corporation enters into any transaction or series of transactions whereby the Corporation or all or substantially all of the assets of the Corporation would become the property of any other trust, body corporate, partnership or other person (a "Successor"), whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, prior to or contemporaneously with the consummation of such transaction the Corporation and the Successor will execute such instruments and do such things as the Board may determine are necessary to establish that upon the consummation of such transaction the Successor will assume the covenants and obligations of the Corporation under the Option Plan and the related option agreements outstanding on consummation of such transaction. Any such Successor will succeed to, and be substituted for, and may exercise every right and power of the Corporation under the Stock Option Plan and the related option agreements with the same effect as though the Successor had been named as the Corporation in the Stock Option Plan and the related option agreements, and thereafter the Corporation will be relieved of all obligations and covenants under the Stock Option Plan and such related option agreements and the obligations of the Corporation to the holders of Options in respect of the Options shall terminate and such holders shall cease to have any further rights in respect thereof.

Acceleration of Vesting on Change of Control

In respect of Options granted prior to June 13, 2019 only, in the event of a Change of Control or a determination by the Board that a Change of Control is expected to occur, all outstanding Options shall vest and be immediately exercisable and, to the extent a Service Provider's termination date has not occurred on or before the Change of Control which results in an earlier expiration of such Service Provider's Options, each holder shall have the right to exercise such Options at any time up to and including (but not after) the earlier of: (i) the date which is 90 days following the date of such Change of Control, or such earlier time as may be established by the Board, in its absolute discretion; and (ii) the expiry date of such Options. A "Change of Control" occurs upon the happening of any of the following: (i) the acquisition by whatever means by a person or persons acting jointly or in concert, directly or indirectly, of the beneficial ownership of, or control or direction over, more than 50% of the issued and outstanding Common Shares (other than pursuant to certain bona fide reorganizations); (ii) the passing of a resolution by the shareholders of the Corporation to substantially liquidate the assets or wind-up or significantly rearrange the affairs of the Corporation (other than pursuant to certain bona fide reorganizations); (iii) the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation); (iv) individuals who were proposed as

nominees to become directors of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for, or an item of business relating to the election of directors of the Corporation, not constituting a majority of the directors of the Corporation following such election; or (v) any other event which, in the opinion of the Board, reasonably constitutes a change of control of the Corporation.

In respect of Options granted on or after June 13, 2019 only, in the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, a Service Provider ceases to be a Service Provider as a result of involuntary termination, other than termination for cause, all outstanding Options granted to such terminated Service Provider shall vest and be immediately exercisable and such Service Provider shall have the right to exercise the Options at any time up to and including (but not after) the earlier of: (i) the date which is one-hundred twenty(120) days following such termination date; and (ii) the Expiry Date of the Options.

In the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, the Option Plan is terminated by the Corporation, all outstanding Options shall vest on the effective date of discontinuance of the Option Plan and be immediately exercisable and each holder shall have the right to exercise the Options at any time up to and including (but not after) the earlier of: (i) the date which is one hundred and twenty (120) days following the effective date of discontinuance of the Plan; and (ii) the Expiry Date of the Options.

In the event that the Board passes a resolution approving, or the Corporation enters into an agreement providing for a transaction which, if completed, would constitute a Change of Control, the Board may at its discretion resolve to permit holders of Options to exercise all unexercised vested Options and any unvested Options which would vest on Change of Control, conditional upon the occurrence of the Change of Control, for the purpose of, as applicable, tendering the underlying Common Shares to the take-over bid or voting such Common Shares in respect of the resolution(s) pertaining to the transaction that would give rise to the Change of Control.

Take-Over of the Corporation

In the event of: (i) the acquisition by any person or group of persons acting jointly or in concert, directly or indirectly, of such number of Common Shares as entitle such person(s) to acquire, pursuant to the compulsory acquisition provisions of the *Business Corporations Act* (Alberta) or such other comparable legislation applicable to the Corporation at the time, all remaining Common Shares not already acquired by the person(s); or (ii) the receipt of all required shareholder, regulatory and court approvals for an amalgamation, arrangement, consolidation, merger or other business combination pursuant to which such person(s) will, directly or indirectly, upon completion thereof, acquire all of the issued and outstanding Common Shares, the Corporation may at its election, effective on the sending of notice to the remaining holders of Options, terminate such Options for their in-the-money value (based upon the consideration offered under the transaction), payable in Common Shares.

Blackout Period

In the event that an Option expires: (i) during the period within which the holder is prohibited from exercising or trading securities of the Corporation due to trading restrictions imposed by the Corporation on such holder (the "Blackout Period"); or (ii) within three business days after the expiry of the Blackout Period, then the expiry date for that Option will be the date that is the tenth business day after the expiry of the Blackout Period.

Amendments

The Option Plan specifies that the Board shall have the power and authority to discontinue the Option Plan and to approve amendments to the Option Plan or to Options, without the approval of Shareholders including, without limitation, for any of the following types of amendments: (i) amendments for the purpose of curing any ambiguity, error or omission in the Option Plan or Options, or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan; (ii) amendments necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed; (iii) amendments respecting administration of the Option Plan; (iv) amendments of a "housekeeping" nature; (v) the addition of any form of financial assistance for holders of Options; (vi) changes to the terms and conditions on which Options may be or have been granted pursuant to the Option Plan, including a change to, or acceleration of, the vesting provisions of Options; (vii) amendments to the treatment of Options on ceasing to be a Service Provider; and (viii) a change to the

termination provisions of Options or the Option Plan which does not entail an extension beyond the original expiry date.

The Option Plan also specifies amendments that require shareholder approval, including: (i) increasing the maximum number of Common Shares issuable pursuant to the Option Plan; (ii) reducing the exercise price of any New Option or cancelling an Option and subsequently issuing the holder of such Option a new Option in replacement thereof; (iii) extending the term of an Option; (iv) modifying or amending the Option Plan to permit Options to be transferable or assignable, other than for normal estate settlement purposes; (v) adding to the categories of eligible Service Providers under the Option Plan; (vi) removing or amending the Option Plan Insider and Independent Director Participation Restrictions; (vii) amending the amendment provisions of the Option Plan; and (viii) any other amendment to the Option Plan where shareholder approval is required by the TSX.

Subject to the above, the Board may add to, delete from, alter or otherwise amend the provisions of the Option Plan or any Options held thereunder or terminate the Option Plan, provided that: (i) no amendment may, without the written consent of the holder of an Option, materially and adversely impair, alter or amend any Option previously granted to such holder; and (ii) a termination of the Option Plan shall not derogate from the rights of holders of Options held prior to the date of such termination, unless otherwise consented to by such holders.

RSU Plans

The Treasury-Settled RSU Plan authorizes the Board to grant restricted share units ("RSUs") to directors, officers, employees and consultants of the Corporation and any of its subsidiaries (such directors, officers, employees and consultants each individually a "Participant" and collectively "Participants"). RSUs also may be granted under the Treasury-Settled RSU Plan as PSUs, to the extent performance conditions are attached. The purpose of the Treasury-Settled RSU Plan is to provide Participants with the opportunity to acquire a proprietary interest in the growth and development of the Corporation that will be aligned with the interests of the Shareholders, to enable the creation of incentives for Participants to meet certain performance criteria that are aligned with the long term interests of the Shareholders, to associate a portion of the Participant's compensation with the returns of Shareholders over the medium term, and enhance the Corporation's ability to attract, retain and motivate key personnel and reward directors, officers and employees for significant performance.

Administration

The Treasury-Settled RSU Plan is administered by the Board, which has the sole and complete authority, in its discretion, to: (a) interpret the Treasury-Settled RSU Plan and the agreements under which RSUs are granted (the "Grant Agreements") and prescribe, modify and rescind rules and regulations relating to the Treasury-Settled RSU Plan and the Grant Agreements; (b) correct any defect or supply any omission or reconcile any inconsistency in the Treasury-Settled RSU Plan in the manner and to the extent it considers necessary or advisable for the implementation and administration of the Treasury-Settled RSU Plan; (c) exercise rights reserved to the Corporation under the Treasury-Settled RSU Plan; (d) determine whether and the extent to which any performance criteria or other conditions applicable to the vesting of RSUs have been satisfied; (e) prescribe forms for notices to be prescribed by the Corporation under the Treasury-Settled RSU Plan; and (f) make all other determinations and take all other actions as it considers necessary or advisable for the implementation and administration of the Treasury-Settled RSU Plan.

The Board may, to the extent permitted by law, and subject to regulatory approval, delegate any or all of its administrative responsibilities under the RSU Plans to any committee of the Board or any other one or more persons (the "Administrator").

Certain Restrictions

The Treasury-Settled RSU Plan provides that: (a) the number of Common Shares reserved for issuance from treasury pursuant to the RSUs credited under the Treasury-Settled RSU Plan shall, in the aggregate, equal 5% of the number of Common Shares then issued and outstanding, less the number of Common Shares issuable pursuant to all other security based compensation arrangements (as such term is referred to in the policies of the TSX) of the Corporate Group; (b) the aggregate number of Common Shares issuable from treasury to any one Participant under the

Treasury-Settled RSU Plan and all other security based compensation arrangements of the Corporate Group shall not exceed 5% of the issued and outstanding Common Shares; (c) the aggregate number of Common Shares issuable from treasury to Insiders under the Treasury-Settled RSU Plan and all other security based compensation arrangements of the Corporate Group shall not exceed 5% of the issued and outstanding Common Shares; (d) during any one-year period, the aggregate number of Common Shares issued from treasury to Insiders under the Treasury-Settled RSU Plan and all other security based compensation arrangements of the Corporate Group shall not exceed 5% of the issued and outstanding Common Shares; (e) the aggregate number of Common Shares issuable to directors of the Corporation who are not employees of the Corporation, together with Common Shares issuable pursuant to any other security based compensation arrangements of the Corporate Group, shall be limited to the lesser of (i) 1% of the issued and outstanding Common Shares, and (ii) maximum annual grants having a value of \$100,000; (f) the Corporation's right to elect to satisfy RSUs by the issuance of Common Shares from treasury will be effective only upon receipt, from time to time, of all necessary approvals of the Treasury-Settled RSU Plan, as amended from time to time, as required by the rules, regulations and policies of the TSX and any other stock exchange on which Common Shares are listed or traded; and (g) if any RSU granted under the Treasury-Settled RSU Plan shall expire, terminate or be cancelled for any reason (including, without limitation, the satisfaction of the RSU by means of a cash payment) without being paid out or settled in the form of Common Shares issued from treasury, any unissued Common Shares to which such RSUs relate shall be available for the purposes of the granting of further RSUs under the Treasury-Settled RSU Plan. If any rights to acquire Common Shares held under any other security based compensation arrangements of a member of the Corporate Group shall be exercised, or shall expire or terminate for any reason without having been exercised in full, any unpurchased Common Shares to which such security relates shall be available for the purposes of granting further securities under the Treasury-Settled RSU Plan.

The restrictions referred to in (c) through (e) above are collectively known as "Treasury-Settled RSU Plan Insider and Independent Director Participation Restrictions."

Grant of RSUs and Vesting

The Corporation may from time to time grant RSUs to a Participant in such numbers, at such times (the "Grant Date") and on such terms and conditions, consistent with the Treasury-Settled RSU Plans, as the Board may in its sole discretion determine; provided, however, that no RSUs will be granted after December 15 of a given calendar year. For greater certainty, the Board shall, in its sole discretion, determine any and all conditions to the vesting of any RSUs granted to a Participant, which vesting conditions may be based on either or both of: (a) the Participant's continued employment with, provision of consulting services to, or work as a director of one or more members of the Corporate Group; or (b) such other terms and conditions including, without limitation, performance criteria, as the Board may determine.

Subject to the terms of the Treasury-Settled RSU Plans, the Board may determine other terms or conditions of any RSUs, and shall specify the material terms thereof in the applicable Grant Agreement, which shall be in such form as prescribed by the Board from time to time. Without limiting the generality of the foregoing, such additional terms and conditions may include terms or conditions relating to: (a) the market price of the Common Shares; (b) the return to holders of Common Shares, with or without reference to other comparable companies; (c) the financial performance or results of the Corporation or a subsidiary; (d) the achievement of performance criteria relating to the Corporation or a subsidiary; (e) any other terms and conditions the Board may in its discretion determine with respect to vesting or the acceleration of vesting; and (f) the vesting date, each of which shall be set out in a Grant Agreement. The conditions may relate to all or a portion of the RSUs in a grant and may be graduated such that different percentages (which may be greater or lesser than 100%) of the RSUs in a grant will become vested depending on the extent of satisfaction of one or more such conditions. The Board may, in its discretion, subsequent to the Grant Date of an RSU, waive any such term or condition or determine that it has been satisfied subject to applicable law, unless any such RSUs include performance criteria, in which case vesting shall be determined by an evaluation of the satisfaction of such performance criteria as at such time.

Except as otherwise provided in the Treasury-Settled RSU Plan, the number of RSUs subject to each grant, the Expiry Date (defined below) of each RSU, the vesting dates with respect to each grant of RSUs and other terms and conditions relating to each such RSU shall be determined by the Board. The Board may, in its discretion, subsequent to the time of granting RSUs, permit the vesting of all or any portion of unvested RSUs then outstanding and granted

to the Participant under the Treasury-Settled RSU Plan, in which event all such unvested RSUs then outstanding and granted to the Participant shall be deemed to be immediately vested, unless any such RSUs include performance criteria, in which case vesting shall be determined by an evaluation of the satisfaction of such performance criteria as at such time.

RSUs granted will, unless otherwise determined by the Board at the time of the grant, as specifically set out in a Grant Agreement, vest as to one-third on each of the first and second anniversaries of the Grant Date, and the remaining one-third will vest on the earlier of: (i) the third anniversary of the Grant Date; and (ii) December 15 of the third calendar year following the Service Year in respect of which the RSUs were granted.

Terms of RSUs

The "Expiry Date" means, with respect to any RSU, the date specified in an applicable Grant Agreement, if any, as the date on which the RSU will be terminated and cancelled or, if later or no such date is specified in the Grant Agreement, December 31 of the third calendar year following the end of the applicable Service Year. Unless the Expiry Date is set as described in this paragraph, the Expiry Date of each RSU shall be determined by the Board, in its discretion.

Except as set forth below, "Termination Date" means, in respect of a Participant, the date that the Participant ceases to be any of: (i) a director of a member of the Corporate Group; or (ii) actively employed by, or providing services as a consultant to, any member of the Corporate Group for any reason, without regard to any statutory, contractual or common law notice period that may be required by law following the termination of the Participant's employment or consulting relationship with any one or more members of the Corporate Group. The Board will have sole discretion to determine whether a Participant has ceased to be a director, ceased active employment or ceased status as a Consultant and the effective date on which the Participant ceased to be a director, ceased active employment or ceased status as a Consultant. A Participant that is a director, or an employee or a Consultant of any member of the Corporate Group will be deemed not to have ceased to be a director, an employee or a Consultant of any member of the Corporate Group in the case of a transfer of his or her directorship, employment or consulting relationship between members of the Corporate Group or if the Participant is on a Leave of Absence (as defined in the Treasury-Settled RSU Plan).

In respect of US Participants, "Termination Date" means the date of Separation from Service, which is defined as "the Participant's separation from service from the Corporation or any subsidiary within the meaning of Section 409A(a)(2)(A)(i) of the Internal Revenue Code of 1986. A "US Participant" is a Participant that is (i) a United States citizen or green card holder, or (ii) a United States resident who is subject to United States taxation. If a US Participant is determined to be a "specified employee" (within the meaning of Section 409(A) of the Internal Revenue Code of 1986 and US Department of Treasury regulations and other interpretive guidance issued thereunder "Section 409A") at the time of Separation of Service, no amounts shall be paid to such US Participant pursuant to the Treasury-Settled RSU Plan during the 6 month period following such Separation from Service if payment of such amounts at the time indicated in the Treasury-Settled RSU Plan would be a prohibited distribution under Section 409A. If payment of any such amounts is delayed as a result of the foregoing, then on the first business day following the end of such 6 month period (or the date of the US Participant's death, if earlier, the Corporation shall pay to the US Participant in a lump-sum such amounts as would have otherwise have been payable previously.

Subject to the paragraphs below, and to any express resolution passed by the Board, on a Participant's Termination Date, any RSUs granted to such Participant which have not vested on or prior to the Participant's Termination Date will terminate and become null and void as of such date. If a Participant's Termination Date occurs during a Blackout Period (as defined in the Treasury-Settled RSU Plan) and the blackout provisions of the Treasury-Settled RSU Plan have the effect of deferring vesting and payout of RSUs until a date that is beyond the Participant's Termination Date, such Participant's Termination Date will be deemed to be deferred to correspond with such deferred vesting and payout date.

Where a Participant's Termination Date occurs for any reason other than death, retirement or termination for cause, then such Participant shall have the right to be paid out in respect of his or her outstanding vested RSUs.

Where a Participant's Termination Date occurs by reason of the death of the Participant, then all outstanding RSUs granted to such Participant which are not vested shall become vested RSUs on the date of death and be paid out in accordance with the Treasury-Settled RSU Plan and any applicable grant agreement. Where RSUs impacted by such accelerated vesting have been granted as PSUs, a deemed multiplier of 1.0 will be applied to any PSUs that have not yet become eligible to vest as at the date of death. Only a beneficiary of the Participant shall have the right to be paid out under this paragraph and in accordance with the RSU Plans at any time up to and including (but not after) the Expiry Date of the RSU.

Where a Participant's Termination Date occurs as a result of the Participant's retirement, all outstanding RSUs granted to such Participant which are not vested RSUs shall be governed by the policies of the Corporation in effect at the time of the Participant's Termination Date due to retirement.

Where a Participant's Termination Date occurs by reason of the Participant's termination for cause the Participant shall forfeit any and all rights to hold or be paid out in respect of all RSUs and, for greater certainty, all RSUs, whether they be vested RSUs or not, held by such Participant shall be terminated and rendered null and void.

Transfers and Assignments

RSUs may not be transferred or assigned, other than for normal estate settlement purposes. Subject to the requirements of applicable law, a Participant may designate in writing an individual as a beneficiary to receive any benefits that are payable under the Treasury-Settled RSU Plan upon the death of the Participant. The Participant may, subject to applicable laws, alter or revise such designation from time to time. The original designation or any change thereto shall be in the form as the Board may, from time to time, determine.

Cash Payment or Delivery of Common Shares

The RSU Payment Date, subject to expiry of any Blackout Periods, means, unless the Board selects a different date (which date shall be within the same calendar year that a RSU has vested), the date an RSU has vested, which date shall not, in any event, extend beyond December 15th of the third year following the Service Year for any particular RSU.

As soon as practicable following the RSU Payment Date but in any case prior to December 31 of the third year following the Service Year for any particular RSU and provided a Participant's Termination Date has not first occurred, the Corporation will make to a Participant a cash payment equal to the product of the number of vested RSUs recorded in the Participant's account multiplied by the Fair Market Value applicable on the RSU Payment Date, less any applicable withholding taxes. For the purposes of the RSU Plans, "Fair Market Value" means the volume weighted average trading price of the Common Shares on the TSX for the five trading days on which the Common Shares traded immediately prior to the applicable date. In the event the Common Shares are not then listed and posted for trading on the TSX or any other stock exchange in Canada, the Fair Market Value shall be the market price of the Common Shares as determined by the Board in its discretion, acting reasonably and in good faith.

Alternatively, upon the receipt of all necessary shareholder approvals as required under the rules, regulations and policies of the TSX and any other stock exchange on which Common Shares are listed or traded, the Corporation or its subsidiaries may, in lieu of the cash payment, as soon as practicable after the RSU Payment Date, either issue (or, subject to the consent of the Corporation and the Board which may be withheld in its sole discretion, cause to be issued) to the Participant or, through a broker designated by the Corporation (the "Designated Broker"), acquire on behalf of such Participant, the number of whole Common Shares that is equal to the number of whole vested RSUs recorded in the Participant's account on the RSU Payment Date (less any amounts in respect of any applicable withholding taxes). If the Corporation or subsidiary elects to arrange for the purchase of Common Shares by a Designated Broker on behalf of the Participant, the Corporation or subsidiary will contribute to the Designated Broker an amount of cash sufficient, together with any reasonable brokerage fees or commission fees related thereto, to purchase the whole number of Common Shares to which the Participant is entitled and the Designated Broker shall, as soon as practicable thereafter, purchase those Common Shares, on behalf of such Participant, on the TSX (or any other stock exchange on which the Common Shares are listed or traded).

All amounts payable to, or in respect of, a Participant including, without limitation, the issuance or delivery of Common Shares or cash payment, will be paid or delivered on or before December 31 of the third calendar year commencing immediately following the Service Year in respect of the particular RSU. Upon payment in cash or Common Shares, as the case may be, the particular RSU in respect of which such payment was made will be cancelled.

If the RSU Payment Date occurs during a Blackout Period or within three business days of the expiry of a Blackout Period applicable to the relevant Participant, then the RSU Payment Date shall be the earlier of (i) the 10th business day after the expiry of the Blackout Period and (ii) December 15th of the third year following the Service Year (or December 15th of the calendar year in which the RSU Payment Date occurs in respect of US Participants) for any particular RSU. Where the RSU Payment Date is deemed because of the Blackout Period to be December 15th of the third year following the Service Year for any particular RSU, the Participant shall be entitled to only a cash payment and not the delivery of Common Shares, in accordance with the payment provisions of the Treasury-Settled RSU Plan.

Adjustments in Connection with an Alteration of the Common Shares

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Common Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Corporation or other distribution of the Corporation's assets to shareholders of the Corporation (other than the payment of ordinary course cash or stock dividends in respect of the Common Shares), the number of Common Shares subject to the Treasury-Settled RSU Plan and the RSUs then outstanding thereunder shall be adjusted in such manner, if any, as the Corporation may in its discretion deem appropriate to preserve, proportionally, the interests of Participants under the Treasury-Settled RSU Plan. Adjustments shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. All fractional RSUs shall be rounded down.

Adjustments for Dividends

The Board may, in its sole discretion, elect to credit, as a bonus for services rendered in the calendar year containing the payment date for cash dividends paid on Common Shares (the "Dividend Payment Date"), the account of each Participant with additional RSUs. In such case, the number of such additional RSUs to be credited to the Participant's account will be calculated by dividing the total amount of the dividends that would have been paid to such Participant if the RSUs in the Participant's account, as of the record date for payment of such dividends (the "Dividend Record Date"), were Common Shares, by the Fair Market Value on the Dividend Payment Date. However, no RSUs will be credited to a Participant's account in respect of dividends paid on Common Shares where the Dividend Record Date relating to such dividends falls after such Participant's Termination Date, except where vesting of RSUs beyond a Participant's Termination Date is contemplated pursuant to the Treasury-Settled RSU Plan as a result of the Participant's retirement, in which case such Participant's account shall be credited in respect of dividends paid on Common Shares where the Dividend Record Date relating to such dividends falls on a date that is on or prior to the date upon which vesting in respect of the Participant's RSUs ceases. The proportion of RSUs credited to a Participant's account as described in this paragraph relating to vested RSUs shall, unless otherwise determined by the Board in its sole discretion, also be vested RSUs. The proportion of RSUs credited to a Participant's account as described in this paragraph relating to existing RSUs that had not yet vested shall, unless otherwise determined by the Board in its sole discretion, vest in the same manner as the existing unvested RSUs.

Adjustments for Certain Corporate Events

In respect of RSUs granted prior to June 13, 2019 only, for all Participants, the occurrence of an event of Change of Control or, only for Participants that are not US Participants, the occurrence of a determination by the Board that a Change of Control is expected to occur, will result in the vesting and payout of all outstanding RSUs and, provided that a Participant's Termination Date has not occurred before the Change of Control which results in an earlier expiration date of such Participant's RSUs, the payout of all outstanding RSUs upon the occurrence of the Change of Control. Where RSUs impacted by such accelerated vesting and payout have been granted as PSUs, the multipliers to be applied to each PSU grant will be calculated using the multiplier that has already been determined in respect

of PSUs that were eligible to vest prior to the occurrence of the Change of Control and by using a multiplier of 1.0 in respect of any PSUs that have not yet become eligible to vest as at the occurrence of the Change of Control.

A determination by the Board that a Change of Control is expected to occur will not result in the vesting of any outstanding RSUs held by a US Participant. No event shall constitute a Change of Control in respect of RSUs held by a US Participant unless such event constitutes a "change in control event" within the meaning of Section 409(A) of the Internal Revenue Code of 1986 and US Department of Treasury regulations and other interpretive guidance issued thereunder.

In respect of RSUs granted on or after June 13, 2019 only, for all Participants, the occurrence of an event of a Change of Control, followed within one hundred and eighty (180) days of a Change of Control by the occurrence of a Termination Date in respect of a Participant as a result of involuntary termination, other than by way of termination for cause, will result in the vesting and payout of all outstanding RSUs upon the occurrence of the Termination Date. Where RSUs impacted by such accelerated vesting and payout have been granted as PSUs, the multipliers to be applied to each PSU grant will be: (i) in respect of one or more performance year(s) that is(are) complete at the time a change of control occurs, any multiplier(s) already determined and approved by the Board; (ii) in respect of a performance year during which a change of control occurs, a multiplier to be determined and approved by the Board based on satisfaction of performance criteria as at the time of occurrence of a change of control; and (iii) in respect of any performance year that has not yet begun as at the time a change of control occurs, a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i) if applicable and (ii). Where a Change of Control has occurred but a Participant's PSUs have not been made subject to such accelerated vesting and payout, such PSUs will continue to vest and payout in accordance with the terms of the relevant grant agreement however the foregoing multipliers shall apply.

In the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, the Treasury-Settled RSU Plan is terminated by the Corporation, all outstanding RSUs will vest and payout effective as of the date of discontinuance of the Plan. Where RSUs impacted by such accelerated vesting and payout have been granted as PSUs, the multipliers to be applied to each PSU grant will be: (i) in respect of a performance year that is complete at the time a change of control occurs, any multiplier already determined and approved by the Board; (ii) in respect of a performance year during which a change of control occurs, a multiplier to be determined and approved by the Board based on satisfaction of performance criteria as at the time of occurrence of a change of control; and (iii) in respect of any performance year that has not yet begun as at the time a change of control occurs, a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i) if applicable and (ii).

In respect of RSUs granted prior to June 13, 2019 only, if the Board passes a resolution approving, or the Corporation enters into an agreement providing for, a transaction which, if completed, would constitute a Change of Control, and the Board elects, in connection with the Treasury-Settled RSU Plan, to pay out RSUs through the issuance of shares from treasury or the purchase of shares by a Designated Broker, the Board may, at its discretion, resolve to pay out all unvested RSUs conditional upon the occurrence of the Change of Control, and to permit Participants to tender the underlying shares to the take-over bid or vote such shares in respect of the resolutions pertaining to the transaction that would give rise to the Change of Control. Any such payout of unvested RSUs held by US Participants must occur within the 30 day period prior to the occurrence of the Change of Control and the US Participant shall have no right to designate the taxable year of payment.

Amendment or Discontinuance of the RSU Plans and RSUs

The Treasury-Settled RSU Plan may be amended, suspended or terminated at any time by the Board in whole or in part, provided that no amendment shall be made which would cause the Treasury-Settled RSU Plan, or any RSUs granted, to cease to comply with paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the *Income Tax Act* (Canada) (the "Tax Act") or any successor provision thereto. Upon termination of the Treasury-Settled RSU Plan, subject to the relevant provisions of the Treasury-Settled RSU Plan relating to accelerated vesting on Change of Control set forth above under "*Adjustments for Certain Corporate Events*" or to a resolution of the Board to the contrary, all unvested RSUs shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of the relevant Treasury-Settled RSU Plan existing at the time of its termination and

any applicable Grant Agreement, provided that no further RSUs will be credited to the account of any Participant. The Treasury-Settled RSU Plan will terminate on the date upon which no further RSUs granted thereunder remain outstanding.

Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including any exchange on which the Common Shares are then listed and posted for trading), the Board may at any time, without further action by, or approval of, the holders of Common Shares, amend the Treasury-Settled RSU Plan or any RSU granted thereunder in such respects as it may consider advisable and, it may do so to: (a) ensure that RSUs will comply with any provisions respecting restricted share units or other security based compensation arrangements in the Tax Act or other laws in force in any country or jurisdiction of which a Participant to whom an RSU has been granted may from time to time perform services or be resident; (b) cure any ambiguity, error or omission in the Treasury-Settled RSU Plan or RSUs granted thereunder or to correct or supplement any provision of the Treasury-Settled RSU Plan that is inconsistent with any other provision thereof; (c) comply with applicable law or the requirements of any stock exchange on which the shares are listed; (d) amend the provisions of the Treasury-Settled RSU Plan respecting administration or eligibility for participation thereunder; (e) make amendments of a "housekeeping" nature to the Treasury-Settled RSU Plan; (f) change the terms and conditions on which RSUs may be or have been granted pursuant to the Treasury-Settled RSU Plan, including a change to, or acceleration of, the vesting provisions of such RSUs; (g) amend the treatment of RSUs granted under the Treasury-Settled RSU Plan on ceasing to be a Participant; and (h) change the termination provisions of the Treasury-Settled RSU Plan or RSUs granted thereunder which do not entail an extension beyond the original expiry date. Any such amendments shall, if made, become effective on the date selected by the Board. The Board may not, however, without the consent of the Participants, or as otherwise required by law, alter or impair any of the rights or obligations under any RSUs theretofore granted under the Treasury-Settled RSU Plan.

Notwithstanding the above paragraph, approval of the holders of Common Shares will be required in order to: (a) increase the maximum number of Common Shares issuable pursuant to the Treasury-Settled RSU Plan; (b) amend the determination of Fair Market Value under the Treasury-Settled RSU Plan in respect of any RSU; (c) extend the Expiry Date of any RSU granted under the Treasury-Settled RSU Plan; (d) modify or amend the provisions of the Treasury-Settled RSU Plan in any manner which would permit RSUs, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes; (e) add to the categories of eligible Participants under the Treasury-Settled RSU Plan; (f) remove or amend the Treasury-Settled RSU Plan Insider and Independent Director Participation Restrictions; (g) amend the provisions of this paragraph; or (h) make any other amendment to the Treasury-Settled RSU Plan where shareholder approval is required by the TSX.

Notwithstanding the above provisions, should changes be required to the Treasury-Settled RSU Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Treasury-Settled RSU Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Treasury-Settled RSU Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Treasury-Settled RSU Plan, as amended, will be filed with the records of the Corporation and will remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

Corporation Adjustments and the RSU Plan

The existence of any RSUs will not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in its capital structure or business, or to create or issue any bonds, debentures, shares or other securities of the Corporation or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation, or any amalgamation, combination, merger or consolidation involving the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Cash-Settled RSUs

The material terms of the Cash-Settled RSU Plan are the same as those of the Treasury-Settled RSU Plan as summarized above, except as otherwise noted below.

The Cash-Settled RSU Plan provides for the settlement of awards in cash only and does not reserve any Common Shares for issuance from treasury. Consequently, the Cash-Settled RSU Plan does not contain the Treasury-Settled RSU Plan Insider and Independent Participation Restrictions. Furthermore, the Cash-Settled RSU Plan requires settlement in cash only in respect of vested RSUs and does not include any ability of the Corporation to acquire, or to cause a broker to acquire, and issue whole Common Shares in an amount equal to the number of whole vested RSUs recorded in a Participant's account on an RSU Payment Date.

The Cash-Settled RSU Plan does not require the approval of Shareholders in order to make amendments to the Cash-Settled RSU Plan or the RSUs.

APPENDIX C

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Individual Directors' Continuing Education Activities in 2020

Category	Conference/Seminar/Topic(s)	Host/Presenter	Director(s)
BUSINESS	Short Form Prospectus Seminar	Canaccord	Hodgins
	Energy Investment & Innovation – Strategic Challenges for an Industry in Transition – Expert Workshop Webinar	UK National Committee of World Petroleum Council	McFarland
	Economic Update Webinar	Deloitte	Hodgins
	Energy Conference (virtual)	Peters & Co.	Bruce
	Measuring Stakeholder Capitalism Webinar	Diligent	Hodgins
	National Building: Canada 2.0	Lake Louise Business Forum	Fairburn
	Summit Session Expert Insights: M&A	NACD	MacKenzie
	Oil & Gas Industry as a Player in the Energy Transition – Expert Workshop Webinars (4)	Netherlands National Committee of World Petroleum Council	McFarland
	Securities Update	Stikeman Elliot/Canaccord	Hodgins
	The Climb Ahead	Global Business Forum	Fairburn
	Leveraging Operations for a Sustainable Reset	Willis Towers Watson	MacKenzie
	Alberta's Energy Future – Dinner & Panel Discussion	Canada National Committee of World Petroleum Council	McFarland
	Trends in Canadian Securities Legislation	Norton Rose	Bruce
	WPC Leaders Ignite Talks – Disruption	Canada National Committee of World Petroleum Council	McFarland
	Technical Session Williston Basin Consolidation	Enerplus	Hodgins
COMPENSATION	Executive Compensation 2020 – Topics Arising from Recent Disruptions	Hugessen	MacKenzie
	Executive Compensation Implications – current macro	ICD	MacKenzie
	Executive Compensation Trends: Key Learnings from the 2020 Proxy Season and Implications of COVID-19 – Panelist	ICD	MacKenzie
	Learnings from the 2020 Proxy Season Webinar	ICD	McFarland
	Executive Compensation Trends: KL's from 2020 Proxy Season & Impact of COVID	ICD	MacKenzie
	Compensation Committee Role in Engagement of Key Talent	National Association of Corporate Directors (NACD)	MacKenzie
	Board Engagement with Canadian Coalition for Good Governance ("CCGG") Teleconference	CCGG	Bruce McFarland
	COVID-19's Impact on Incentive Plans Webinar	Meridian	McFarland
	2020 Spring Executive Compensation Webcast	Willis Towers Watson	MacKenzie
	2020 YE Executive Comp Webcast	Women Corporate Directors	MacKenzie
	Executive Compensation Virtual Roundtable	Women Corporate Directors	MacKenzie
	Incorporating ESG Metrics into Executive Compensation	-	McQueen
COVID-19	Managing D&O Risk in a COVID-19 World	CPAB	Hodgins
	Responding to COVID-19 – Perspectives for the Oil & Gas Industry	Deloitte	MacKenzie
	Responding to COVID-19 – Economic Recovery Dashboard	Deloitte	MacKenzie
	Consumer Recovery & Indebtedness from COVID: What That Means for Business	Deloitte	MacKenzie
	Director's Session: Executive Compensation in Time of COVID	Hugessen	MacKenzie
	Bracing Your Business for COVID 19	IGNITES	MacKenzie

Category	Conference/Seminar/Topic(s)	Host/Presenter	Director(s)
	The Board's Role Beyond the COVID Crisis	ICD	McQueen
	COVID-19 Dealing with Financial Distress	ICD	MacKenzie
	COVID-19 What Directors Need to Know	ICD	MacKenzie
	COVID-19 & Geopolitics	ICD	MacKenzie
	Post-pandemic Economic Analysis	ICD	MacKenzie
	COVID-19 Audit Committee Implications	ICD	MacKenzie
	Board's Role Beyond COVID-19	ICD	MacKenzie
	Director's & Officer's Risk in a COVID-19 World	ICD	MacKenzie
	Navigating the Pandemic – a Board Lens	KPMG	MacKenzie
	How Audit Committees Can Respond to COVID-19	KPMG	MacKenzie
	The Economics of COVID-19: Scenarios for Re-opening & Recovery	McKinsey & Company	MacKenzie
	Impact of COVID-19 on Executive Incentive Plans	Meridian	MacKenzie
	COVID-19 Evolving Legal Considerations in the Canadian Market	Osler	MacKenzie
	Post-COVID: What Does It Mean for the Oil & Gas Industry	Osler	MacKenzie
	Deeper Dive Into Health & Welfare Program Implications (COVID-19)	Willis Towers Watson	MacKenzie
	Annual Conference: Navigating the New Normal	-	MacKenzie
	Caldwell Roundtable COVID-19	Caldwell	MacKenzie
ESG	The Climate Agenda, What the Board Needs to Know	Diligent	McQueen
	Energy Outlook The Global Energy Transition	Dr. Scott Tinker	Hodgins MacKenzie
	Board's Role in Supporting Mental Health Wellness	ICD	MacKenzie
	ESG: Here to Stay: Insights from Boardroom to Oilfield	Pickering Energy Partner	MacKenzie
	ESG Conference & Sustainability Summit	Scotiabank	MacKenzie
	The "S" of the ESG Triangle	Scotiabank	MacKenzie
	TD Webinar with Guillaume Mascotto, Head of ESG, American Century Investments	TD/American Century Investments	Hodgins
	TPH: Board Resolution Series – ESG	Tudor, Pickering, Holt & Co.	McQueen
INDUSTRY	Agenda – Like It or Not: Time for ESG	-	MacKenzie
	Energy Industry Forum Virtual Meeting	CPAB	Hodgins
	Evolving Implications and Considerations in Oil & Gas	Deloitte	MacKenzie
	Macro Economic Update	Eurasia Group/PwC	Bruce
	TD Energy Conference	TD	MacKenzie
	Capital Markets Updates	CIBC Capital Markets	Bruce
	TPH: Energy Transition	Tudor, Pickering, Holt & Co.	Hodgins McQueen
	TPH: Energy Competition	Tudor, Pickering, Holt & Co.	McQueen
	TPH: Energy Turmoil, Parts 1 & 2	Tudor, Pickering, Holt & Co.	Hodgins McQueen
	TPH: Energy Turmoil, Part 3	Tudor, Pickering, Holt & Co.	McQueen MacKenzie
	Post US Election – US/Canada Relations Outlook	Dentons Washington Gordon Giffin	Bruce
	Macro Economic Update	Osler Hoskin Harcourt Steve Poloz	Bruce
	Energy M&A Overcoming Obstacles	Tudor, Pickering, Holt & Co. Women Corporate Directors	MacKenzie

Category	Conference/Seminar/Topic(s)	Host/Presenter	Director(s)
FINANCE	Second Quarter Financial Reporting Issues	PricewaterhouseCoopers LLP	Hodgins
	Financial Liability Management	-	McQueen
	Market Update	Barclays	Hodgins
	Market Update	RBC Asset Management	Hodgins
TECHNOLOGY	Digital Trends	Abundance Digital	Fairburn
	Digitalization in a Global World	PwC	Bruce
	Director Session Cybersecurity Webinar	E&Y	Hodgins
	Hybrid Energy Drilling Rig Power Supply and Autonomous Optimization	Clean Design Power Systems Inc.	Bruce
	Agenda – What’s Keeping your CISO Up At Night?	-	MacKenzie
	Fugitive Emissions Detection and Monitoring	Qube Technologies Inc.	Bruce
	Moving to Virtual AGMs	GP Canada	MacKenzie
	Leadership Series Webinar	Borden Ladner Gervais LLP	Hodgins
LEADERSHIP	Leadership Roundtable Series	Caldwell	Hodgins
	Leadership in a Time of Crisis	Deloitte	Hodgins
	Advocating for Women in Leadership – Panelist		Fairburn
	Culture in the Boardroom	ICD	Fairburn Hodgins
	Culture in the Boardroom – Panelist	ICD	Bruce
	Summit Session Expert Insights: CEO Succession	NACD	MacKenzie
	Board Bytes Director’s Session	PricewaterhouseCoopers LLP	Hodgins
	Women’s Executive Series – Taking Stock: The Energy Transition	Tudor, Pickering, Holt & Co.	MacKenzie
	A Conversation with Seamus O’Regan	ARC	MacKenzie
	2020 TSX 60 Learnings	Hugessen	MacKenzie
GENERAL	PSAC Webinar	Kim Moody	Hodgins
	Directors Roundtable	KPMG	Hodgins
	McKinsey – Operations in the Next Normal	McKinsey & Company	MacKenzie
	Summit Session Expert Insights: Geopolitical Risk	NACD	MacKenzie
	Sustaining the Innovative Ecosystem – Built by Angels - Panelist	-	Fairburn
	International Women’s Day Event – Keynote Address	TC Energy	Fairburn
	Munk Debate	Robert Reich	Hodgins
	Directors’ Discussion – Energy, W. Isaacson	Tudor, Pickering, Holt & Co.	MacKenzie
	2020 Year End Executive	Willis Towers Watson	McQueen



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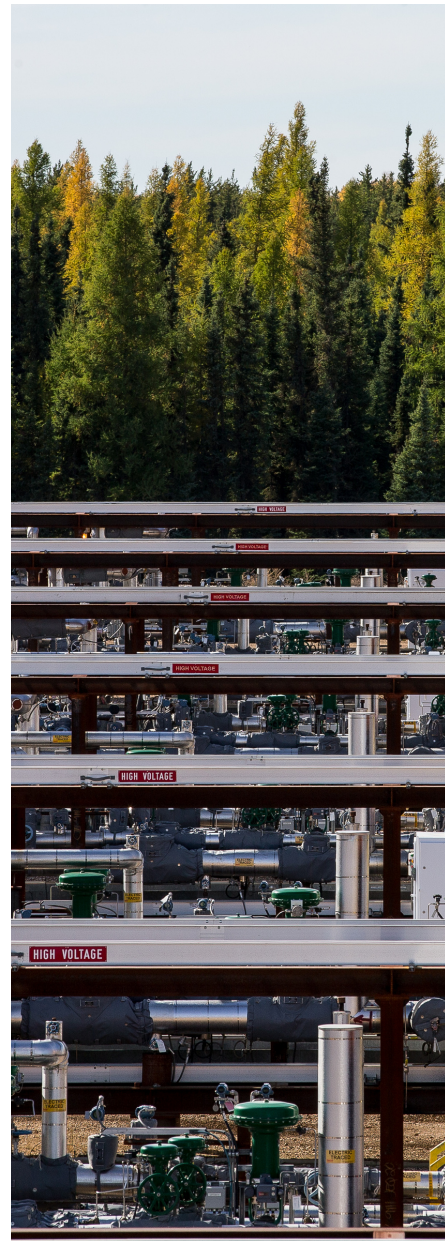
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