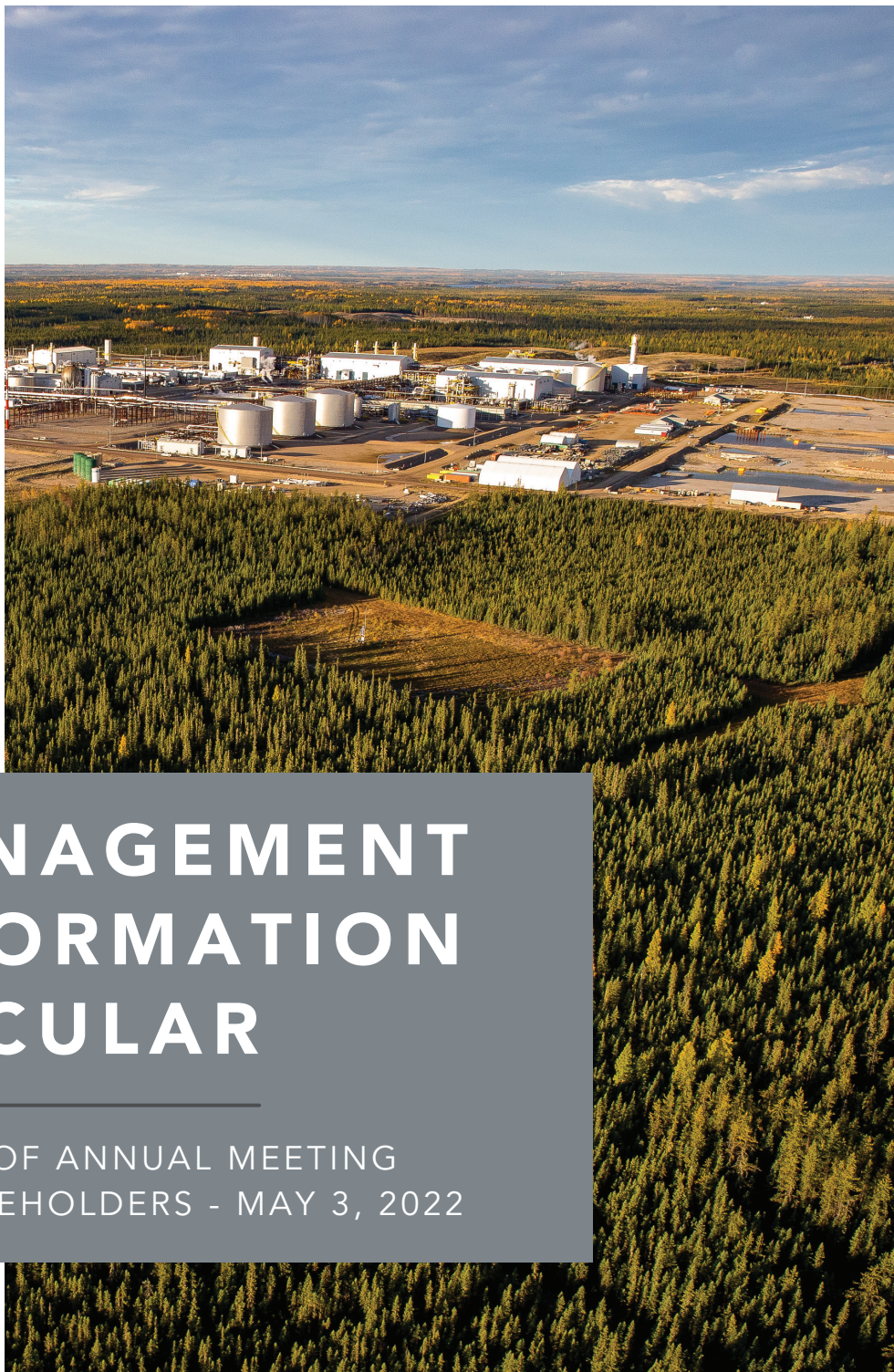




# MEG ENERGY

Sustainable. Innovative. Responsible.



## MANAGEMENT INFORMATION CIRCULAR

NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS - MAY 3, 2022



TSX | MEG



# THE 2022 ANNUAL MEETING OF SHAREHOLDERS

MAY  
**3**  
2022

10AM  
—  
MDT

**VIRTUAL AGM**

TO REGISTER AND JOIN GO TO:  
[WEB.LUMIAGM.COM/426040974](https://web.lumiagm.com/426040974)

## VOTING ITEMS

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- ELECTION OF DIRECTORS
- APPOINTMENT OF AUDITOR
- APPROVAL OF UNALLOCATED OPTIONS
- APPROVAL OF UNALLOCATED RESTRICTED SHARE UNITS
- SAY ON PAY

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

**YOUR VOTE MATTERS!**



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Certain financial measures in this Management Information Circular ("Circular") are non-GAAP financial measures or ratios, supplementary financial measures and capital management measures. These measures are not defined by International Financial Reporting Standards (IFRS) and, therefore, may not be comparable to similar measures provided by other companies. These non-GAAP and other financial measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS. Please refer to the "Advisories" section of this Circular for further descriptions of the measures noted below.

## Non-GAAP financial measures and ratios:

Enterprise value  
Net debt to last 12 months EBITDA

## Supplementary financial measures and ratios:

Non-energy operating costs  
Per barrel figures associated with supplementary financial measures

## Capital management measures:

Net debt  
Adjusted funds flow





# INVITATION TO SHAREHOLDERS

March 18, 2022

Dear Fellow Shareholders:

On behalf of our Board of Directors, we are pleased to provide you with our 2022 Management Information Circular and invite you to our annual meeting of shareholders on May 3, 2022 at 10:00 a.m. (Calgary time). The meeting will be held via live webcast at <https://web.lumiagm.com/426040974>.

This year, we will once again be hosting this meeting virtually through an online platform as we believe this provides the safest and most convenient 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 approach to executive compensation, our 2021 compensation decisions and our corporate governance practices. 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.

## What We Accomplished

2021 was another challenging year, as we continued to operate in a COVID-19 environment and the difficult circumstances that came with it. Despite these challenges, we are incredibly proud of the resilience and determination demonstrated by the team at MEG and the significant accomplishments we collectively achieved.

- Improved MEG's lost time incident performance, achieving zero employee and contractor lost time incidents.
- Through increased steam utilization, improved field reliability, completed and ongoing well optimization and recompletion work, our team delivered record bitumen production volumes of 93,733 barrels per day (bbls/d) while also realizing record low non-energy operating costs of \$4.24 per barrel.
- The Corporation also completed or announced the repayment of approximately US\$325 million (approximately \$415 million) of outstanding indebtedness during 2021 and subsequent to year end, MEG issued a notice to redeem the remaining US\$171 million (approximately \$215million) of MEG's 6.50% senior secured second lien notes due January 2025. Debt reduction over the last four years now totals approximately US\$2 billion.
- MEG built the strength and diversity of our Executive Leadership Team, appointing Darlene Gates as Chief Operating Officer and Chi-Tak Yee as Chief Technical Officer to continue to drive exceptional operational performance and champion our path to net zero.
- MEG advanced its Environmental, Social and Governance ("ESG") objectives with the establishment of a mid-term target of 30% reduction in bitumen greenhouse gas ("GHG") emissions (scope 1 and scope 2) from 2013 levels by 2030. This target is in addition to the Corporation's previously established long-term target of reaching net zero GHG emissions (scope 1 and scope 2) by 2050. In a significant step towards this long-term target in 2021, the Corporation joined five other oil sands operators who collectively operate 95% of Canada's oil sands production in the Oil Sands Pathways to Net Zero Alliance with the objective of working with the Federal and Alberta governments to achieve net zero GHG emissions from oil sands operations by 2050.

As we exit 2021, MEG is very well positioned from an operational and financial perspective to continue to deliver on its deleveraging and shareholder return strategy

## Looking Forward

The exceptional results in 2021 have left MEG well positioned to supply the world with environmentally and socially responsible energy while generating long term value for all of our stakeholders.

As MEG expects to soon reach its previously announced near-term net debt target of US\$1.7 billion, we remain focused on debt reduction while improving shareholder returns through return of capital. Subsequent to year end MEG's Board of Directors approved the filing of an application with the TSX for a NCIB which, once approved by the TSX, will allow MEG to initiate a share



buyback program to buy back over the next twelve months up to 10% of the Corporation's public float, as defined by the TSX, over a one-year period.

The Corporation continues to advance ESG and progress on priority topics: Climate Change and GHG Emissions, Water and Wastewater Management, Health and Safety, and Indigenous Relations, led by a strong governance model, safe and reliable operations and a dedicated team whose results are reflected across ESG metrics.

We would like to thank Mr. William Klesse and Ms. Judy Fairburn for their service to the Board as they will not be standing for re-election this year. Mr. Klesse and Ms. Fairburn have leveraged their business acumen and experience to provide highly valued perspectives to the Board.

Most importantly, we would like to recognize MEG's employees, 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.

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

Sincerely,

(signed) *"Ian D. Bruce"*

**IAN D. BRUCE**

Chair

MEG Energy Corp.

(signed) *"Derek W. Evans"*

**DEREK W. EVANS**

President & CEO

MEG Energy Corp.



# MEG Energy Corp.

## Notice of Annual Meeting of Shareholders

### When

Tuesday, May 3, 2022  
10:00 a.m. (Calgary time) (the "Meeting")

### Where

Virtual only meeting via live audio webcast online at  
<https://web.lumiagm.com/426040974>

In light of the uncertainty regarding the COVID-19 pandemic and public health recommendations, 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, 2021 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 consider and, if deemed advisable, pass an ordinary resolution approving all unallocated stock options under the Corporation's Stock Option Plan;
5. To consider and, if deemed advisable, pass an ordinary resolution approving all unallocated restricted share units under the Corporation's treasury-settled Restricted Share Unit Plan;
6. To approve, in an advisory, non-binding capacity, a resolution to accept the Corporation's approach to executive compensation; and
7. To transact such other business as may properly come before the Meeting or any adjournment thereof.

## 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 management information circular (the "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:** 8<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Attention: Proxy Department



**Internet:** go to [www.investorvote.com](http://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.

## 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 March 16, 2022.

The accompanying 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 2021 financial statements can also be accessed online at [www.megenergy.com](http://www.megenergy.com) or on SEDAR at [www.sedar.com](http://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.

March 18, 2022

# 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
CTO	Chief Technology 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
MD&A	the Corporation's Management's Discussion and Analysis for the year ended December 31, 2021
Meeting	the 2022 annual meeting of 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	March 16, 2022
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.

## Date of Information

The information contained in this Circular is given as at March 18, 2022, except where otherwise noted.

## Record Date

Only persons who are registered Shareholders at the close of business on March 16, 2022 (the "Record Date") are entitled to receive notice of and to vote at the Meeting.

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*.

## Virtual Only Meeting

In light of the uncertainty regarding COVID-19 pandemic and public health restrictions, 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/426040974>. Non-registered (or beneficial) Shareholders may also listen to the live webcast of the Meeting at the same URL 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.

## Meeting and Voting Information

### 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 Tuesday, May 3, 2022 at 10:00 a.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 ("Computershare") 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  
8<sup>th</sup> Floor, 100 University Avenue  
Toronto, Ontario M5J 2Y1



**Internet:**

Go to [www.investorvote.com](http://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/426040974>, click on "I have a Control Number", enter the 15-digit control number found on your Instrument of Proxy or in the email notification you received and enter the password "meg2022" (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 shareholder advisor and proxy solicitation agent. In connection with these services, the Corporation will pay fees to Kingsdale of approximately \$42,000 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](mailto:contactus@kingsdaleadvisors.com).

## 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. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion without notice.

## 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 8<sup>th</sup> 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; (iii) FOR the approval of unallocated Options under the Corporation's Option Plan; (iv) FOR the approval of unallocated restricted share units under the Corporation's Restricted Share Unit Plan and (v) 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.

## Electronic Delivery

We encourage you to sign up for electronic delivery of all future proxy materials. Electronic delivery is a voluntary email notification sent to Shareholders when documents, such as this Circular, are made available on our website. Electronic delivery will save paper, reduce our impact on the environment and reduce costs. Registered Shareholders may sign-up for electronic delivery at [www.investorcentre.com](http://www.investorcentre.com) and beneficial Shareholders may sign-up at [www.proxyvote.com](http://www.proxyvote.com).

## 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, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 or by email to [uslegalproxy@computershare.com](mailto:uslegalproxy@computershare.com) and, in both cases, must be labeled as "Legal Proxy" and be received no later than 10:00 a.m. (Calgary time) on April 29, 2022. 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](http://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](http://www.computershare.com/MEG) no later than 10:00 a.m. (Calgary time) on April 29, 2022 and provide Computershare with the required proxyholder contact information, so that Computershare may provide the proxyholder with a control number via email. **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.

Included with this Circular is our Virtual AGM Meeting Guide. Shareholders with questions regarding the virtual Meeting portal or requiring assistance accessing the Meeting website may contact LUMI support at [support@lumiglobal.com](mailto: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.

## Voting Securities and Principal Holders Thereof

The Corporation is authorized to issue an unlimited number of Shares. As at March 16, 2022, 307,175,387 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 March 16, 2022, 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 <sup>(1)</sup>	Direct/Indirect	32,269,847	10.51%

**Note:**

(1) According to a report filed on SEDAR under National Instrument 62-103 on October 12, 2021.

## 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](http://www.megenergy.com).

Under the Advance Notice By-Law, the deadline for nominations for the Meeting is March 24, 2022. As of the date of this Circular, the Corporation has not received any director nominations.

## 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 2023 is February 2, 2023.

## Business of the Meeting

Receive and consider the financial statements for the year ended December 31, 2021	
Election of Directors	• Management recommends that you vote <b>"FOR"</b> the election of each nominee
Appointment of Auditors	• Management recommends that you vote <b>"FOR"</b> the appointment of auditors
Approval of Unallocated Stock Options	• Management recommends that you vote <b>"FOR"</b> the approval of unallocated options
Approval of Unallocated Treasury-Settled Restricted Share Units	• Management recommends that you vote <b>"FOR"</b> the approval of unallocated restricted share units
Say-on-Pay	• Management recommends that you vote <b>"FOR"</b> the say-on-pay resolution
Other Business	

## 1. Financial Statements and Auditor's Report

The financial statements of the Corporation for the fiscal year ended December 31, 2021, 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](http://www.megenergy.com) and under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com), or you may request a copy from our Investor Relations department at [invest@megenergy.com](mailto: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, including Mr. William Klesse and Ms. Judy Fairburn, who, after serving on the Board since 2016 and 2019 respectively, will be retiring from the Board this year and will not stand for re-election. The Corporation would like to thank Mr. Klesse and Ms. Fairburn for their many contributions to the Corporation and the Board.

In accordance with the by-laws of the Corporation, the Board has determined that nine (9) 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. Susan M. MacKenzie |
| 2. Derek W. Evans    | 7. Jeffrey J. McCaig  |
| 3. Grant D. Billing  | 8. James D. McFarland |
| 4. Robert B. Hodgins | 9. Diana J. McQueen   |
| 5. Kim Lynch Proctor |                       |

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".

All of the proposed nominees, other than Ms. Lynch Proctor, were elected as directors at the annual meeting of Shareholders of the Corporation held on June 16, 2021. 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.

### 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, 2020 and 2021:

	2020 (\$)	2021 (\$)
Audit Fees	234,600	465,450
Audit Related Fees <sup>(1)</sup>	197,410	277,236
Tax Fees <sup>(2)</sup>	59,621	-
All Other Fees	-	-
Total	491,631	742,686

### 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.

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. Approval of Unallocated Options

Under the Corporation's Option Plan, the aggregate number of Shares issuable pursuant to outstanding Options, together with the aggregate number of Shares issuable under any other security-based compensation arrangement of the Corporation (as defined in the policies of the TSX), shall not exceed 5% of the issued and outstanding Shares from time to time. In addition, the number of Shares (i) issued to the Corporation's insiders (as defined in the policies of the TSX) in any one-year period or (ii) issuable to insiders, at any time, under the Option Plan together with any other security-based compensation arrangement cannot, in either case, exceed 5% of the issued and outstanding Shares from time to time. The Option Plan, together with the treasury-settled RSU Plan, are the only compensation plans under which equity securities of the Corporation have been authorized for issuance from treasury and the only security-based compensation arrangements of the Corporation as defined in the policies of the TSX. The material terms of the Option Plan are summarized in Appendix B and a full copy of the text of the Option Plan is included in Appendix C.

The Option Plan is considered a "rolling" plan as it does not have a fixed maximum number of Shares that may be issued pursuant to Options. The TSX rules require that any unallocated options, rights or entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable under it, such as the Option Plan, must be approved by a majority of the issuer's directors and shareholders every three years.

The unallocated Options under the Option Plan were last approved by the Shareholders at the annual and special meeting held on June 13, 2019. At the Meeting, Shareholders will be asked to consider an ordinary resolution approving the unallocated Options under the Option Plan. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Options under our Option Plan until May 3, 2025. All existing outstanding grants of Options under the Option Plan, including any Options granted between the date of this Circular and the Meeting, will continue in effect even if Shareholder approval is not obtained at the Meeting. If Shareholder approval is not obtained at the Meeting, all Options which are not allocated as of May 3, 2022, and all Options which are outstanding as of May 3, 2022, and are subsequently cancelled, terminated or exercised will not be available for grant or re-grant, as applicable, under the Option Plan.

The Board has unanimously approved the unallocated Options under the Option Plan. As discussed in this Circular under the heading "*Compensation Discussion and Analysis*", although Options were not granted in 2020 and 2021, Options granted under the Option Plan remain a potential element of the Corporation's compensation program and may be awarded to the Corporation's executives and employees who are responsible for the management and operations of the Corporation. The purpose of the Option Plan is to recognize the contributions of these executives and employees and advance the interests of the Corporation by encouraging and enabling their acquisition of Shares, thereby directly aligning their interests with the interest of Shareholders. The Corporation views the continuing ability to grant Options under the Option Plan as being key to attracting, retaining and motivating the personnel necessary for the Corporation's future success.

As at December 31, 2021, there were 306,865,100 Shares outstanding and 2,494,610 Options and 6,597,894 RSUs outstanding:

Shares reserves for issuance pursuant to security-based compensation arrangements as at December 31, 2021		Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Maximum number of Shares that may be issued under all security-based compensation arrangements as at December 31, 2021	Number of Shares remaining available for future grants under all security-based compensation arrangements as at December 31, 2021
Options	2,494,610	\$11.70	15,343,255 (5% of outstanding Shares)	6,250,751 (2.04% of outstanding Shares)
Other security-based arrangements	6,597,894	n/a		

### Approval Required

Shareholders will be asked at the Meeting to consider and, if deemed advisable, approve the following ordinary resolution approving all unallocated Options under the Option Plan:

**"BE IT RESOLVED**, as an ordinary resolution, **THAT:**

1. all unallocated options (including the common shares to be issued pursuant to the exercise of such options) under the Corporation's Option Plan are hereby approved;
2. the Corporation shall have the ability to continue granting options under the Corporation's Option Plan until May 3, 2025, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought;
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such further acts and things and to execute such further agreements and other documents for and on behalf of the Corporation as such director or officer may consider necessary, desirable or useful having regard to this resolution; and
4. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution,



without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

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. It is the intention of the management designees named in the accompanying Instrument of Proxy to vote proxies "FOR" approval of the ordinary resolution above, unless otherwise directed.

## 5. Approval of Unallocated Restricted Share Units

Under the Corporation's treasury-settled RSU Plan (the "Restricted Share Unit Plan"), the aggregate number of Shares issuable pursuant to outstanding RSUs (which includes both RSUs and PSUs), together with the aggregate number of Shares issuable under any other security-based compensation arrangement of the Corporation (as defined in the policies of the TSX), shall not exceed 5% of the issued and outstanding Shares from time to time. In addition, the number of Shares (i) issued to the Corporation's insiders (as defined in the policies of the TSX) in any one-year period or (ii) issuable to insiders, at any time, under the Restricted Share Unit Plan together with any other security-based compensation arrangement cannot, in either case, exceed 5% of the issued and outstanding Shares from time to time. The Restricted Share Unit Plan, together with the Option Plan, are the only compensation plans under which equity securities of the Corporation have been authorized for issuance from treasury and the only security-based compensation arrangements of the Corporation as defined in the policies of the TSX. The material terms of the Restricted Share Unit Plan are summarized in Appendix B and a full copy of the text of the Restricted Share Unit Plan is included in Appendix D.

The Restricted Share Unit Plan is considered a "rolling" plan as it does not have a fixed maximum number of Shares that may be issued pursuant to RSUs. The TSX rules require that any unallocated options, rights or entitlements under a security-based compensation arrangement that does not have a fixed maximum number of securities issuable under it, such as the Restricted Share Unit Plan, must be approved by a majority of the issuer's directors and shareholders every three years.

The unallocated RSUs under the Restricted Share Unit Plan were last approved by the Shareholders at the annual and special meeting held on June 13, 2019. At the Meeting, Shareholders will be asked to consider an ordinary resolution approving the unallocated RSUs under the Restricted Share Unit Plan. If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated RSUs under the Restricted Share Unit Plan until May 3, 2025. All existing outstanding grants of RSUs under the Restricted Share Unit Plan, including any RSUs granted between the date of this Circular and the Meeting, will continue in effect even if Shareholder approval is not obtained at the Meeting. If Shareholder approval is not obtained at the Meeting, all RSUs which are not allocated as of May 3, 2022, and all RSUs which are outstanding as of May 3, 2022, and are subsequently cancelled, terminated or exercised will not be available for grant or re-grant, as applicable, under the Restricted Share Unit Plan.

The Board has unanimously approved the unallocated RSUs under the Restricted Share Unit Plan. As discussed in this Circular under the heading "*Compensation Discussion and Analysis*", RSUs granted under the Restricted Share Unit Plan are the primary long-term compensation awarded to the Corporation's executives and employees who are responsible for the management and operations of the Corporation. The purpose of the Restricted Share Unit Plan is to recognize the contributions of these executives and employees and advance the interests of the Corporation by encouraging and enabling their acquisition of Shares, thereby directly aligning their interests with the interest of Shareholders. The Corporation views the continuing ability to grant RSUs under the Restricted Share Unit Plan as being key to attracting, retaining and motivating the personnel necessary for the Corporation's future success.

As at December 31, 2021, there were 306,865,100 Shares outstanding and 6,597,894 RSUs and 2,494,610 Options outstanding:

Shares reserves for issuance pursuant to security-based compensation arrangements as at December 31, 2021		Maximum number of Shares that may be issued under all security-based compensation arrangements as at December 31, 2021	Number of Shares remaining available for future grants under all security-based compensation arrangements as at December 31, 2021
RSUs	6,597,894	15,343,255 (5% of outstanding Shares)	6,250,751 (2.04% of outstanding Shares)
Other security-based arrangements	2,494,610		

### Approval Required

Shareholders will be asked at the Meeting to consider and, if deemed advisable, approve the following ordinary resolution approving all unallocated Restricted Share Units under the Restricted Share Unit Plan:

**"BE IT RESOLVED**, as an ordinary resolution, **THAT**:

1. all unallocated restricted share units (including the common shares to be reserved for issuance pursuant to grants of such restricted share units) under the Corporation's Restricted Share Unit Plan are hereby approved;

2. the Corporation shall have the ability to continue granting restricted share units under the Corporation's Restricted Share Unit Plan until May 3, 2025, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought;
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such further acts and things and to execute such further agreements and other documents for and on behalf of the Corporation as such director or officer may consider necessary, desirable or useful having regard to this resolution; and
4. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to revoke this resolution, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable by the directors."

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. It is the intention of the management designees named in the accompanying Instrument of Proxy to vote proxies "FOR" approval of the ordinary resolution above, unless otherwise directed.

## 6. 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 on executive compensation ("Say on Pay") at the Meeting. This Say on Pay vote 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 March 18, 2022 and delivered in advance of the 2022 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.

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

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 2023.

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.

At the annual meeting of Shareholders of the Corporation held on June 16, 2021, an advisory resolution was passed accepting the Corporation's approach to executive compensation. The voting results were as follows:

	Votes FOR		Votes AGAINST	
	#	%	#	%
2021 Say on Pay	192,292,648	97.85	4,223,020	2.15

## 7. 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 addition, in furtherance of the Corporation's intention to foster a culture of inclusion and to increase diversity within the organization, the Corporation's Inclusion and Diversity Policy 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 and Post-Meeting Committee Membership

Director Nominee	Director Since	Independent	Age	2021 Approval	Post-Meeting Committee Membership			
					Audit	GNC	HCCC	HSERC
Ian D. Bruce (Chair)	2019	Yes	68	99.96%	Ex-Officio	Ex-Officio	Ex-Officio	Ex-Officio
Derek W. Evans	2018	No <sup>(1)</sup>	65	99.96%				
Grant D. Billing	2019	Yes	70	99.42%	✓	✓		
Robert B. Hodgins	2010	Yes	70	91.48%	Chair	✓		
Kim Lynch Proctor	nominee	Yes	46	n/a	✓		✓	
Susan M. MacKenzie	2020	Yes	61	97.91%	✓			Chair
Jeffrey J. McCaig	2014	Yes	70	99.44%			✓	✓
James D. McFarland	2010	Yes	75	99.94%			Chair	✓
Diana J. McQueen	2015	Yes	60	99.24%		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 March 16, 2022; in the case of a nominee who is a member of management, the number of Options and PSUs held by the nominee as at March 16, 2022; the value of securities held by the nominee as at March 16, 2022; 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:	68
Municipality of Residence:	Calgary, Alberta, Canada
Positions/Offices held:	Chair of the Board and Director ( <b>Independent</b> )
Director Since:	June 13, 2019 (appointed as Chair of the Board on June 17, 2020)
Disciplinary Expertise/Training:	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 holds a Master of Business Administration degree from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Science degree in biology from Queen's University. 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 member of the board of Qube Technologies Inc. (private clean technology company) and 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 <sup>(1)</sup>		2021 Attendance <sup>(1)</sup>		2021 Attendance (Total)
Board of Directors		8 of 8		100%
Securities Held as at March 16, 2022				
Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
119,535 Shares				
58,667 DSUs	\$3,038,344	\$464,067	\$3,502,411	Yes
27,218 RSUs				
Voting Results of 2021 Annual Meeting		Votes FOR		Votes WITHHELD
		99.96%		0.04%
Other Public Company Boards				
Cameco Corporation				

See Notes to "Information on Director Nominees" on page 19.

Age:	Derek W. Evans		
Municipality of Residence:	65		
Positions/Offices held:	Calgary, Alberta, Canada		
Director Since:	President and Chief Executive Officer and Director ( <b>Non-Independent</b> )		
Disciplinary Expertise/Training:	August 10, 2018		
	Engineering/Geology   Business Executive		
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 35 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.			
Board and Committee Memberships		2021 Attendance <sup>(4)</sup>	2021 Attendance (Total) <sup>(4)</sup>
Board of Directors		8 of 8	100%
Securities Held as at March 16, 2022			
Value of Securities Held <sup>(3)</sup>			
Securities Held <sup>(2)</sup>	Vested (Shares, DSU, Options)	Unvested (RSUs, PSUs, Options)	Total
Complies with Share Ownership Guidelines?			
497,256 Shares			
329,671 DSUs			
734,358 RSUs	\$15,372,897	\$36,443,345	\$51,816,243
1,365,727 PSUs			
153,100 Options			
Voting Results of 2021 Annual Meeting		Votes FOR	Votes WITHHELD
		99.96%	0.04%
Other Public Company Boards			
Franco-Nevada Corporation			

See Notes to "Information on Director Nominees" on page 19.

Age:	Grant D. Billing
Municipality of Residence:	70
Positions/Offices held:	Calgary, Alberta, Canada
Director Since:	Director ( <b>Independent</b> )
Disciplinary Expertise/Training:	June 13, 2019
	Financial/Accounting   Business Executive

Grant D. Billing is a corporate director. Mr. Billing is currently the Chair of the Board of SECURE Energy Services Inc. and previously served as Chair of the Board and a director of Tervita Corporation between December 2016 and July 2021. He served as the Chair and CEO of Superior Plus Corp. (an energy distribution and specialty chemicals company) between July 2006 and November 2011 and Executive Chair between 1998 and 2006. He was Chair of the board of directors of Superior Plus Corp. until December 31, 2014. Mr. Billing is also currently a corporate director of Badger Infrastructure Solutions 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 Chair and director of several public companies and as director and Chair 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.

Board and Committee Memberships	2021 Attendance	2021 Attendance (Total)
Board of Directors	8 of 8	
Audit Committee	4 of 4	100%
GNC	4 of 4	

#### Securities Held as at March 16, 2022

Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
53,951 Shares				
106,880 DSUs	\$2,742,169	\$67,365	\$2,809,533	Yes
3,951 RSUs				

Voting Results of 2021 Annual Meeting	Votes FOR	Votes WITHHELD
	99.42%	0.58%

#### Other Public Company Boards

Badger Infrastructure Solutions Ltd.  
SECURE Energy Services Inc.

See Notes to "Information on Director Nominees" on page 19.

Age:	70
Municipality of Residence:	Calgary, Alberta, Canada
Positions/Offices held:	Director ( <b>Independent</b> ), Chair of Audit Committee
Director Since:	September 21, 2010
Disciplinary Expertise/Training:	Financial/Accounting   Business Executive

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 served in a part-time and non-executive advisory role as 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, Enerflex Systems Ltd., Enerflex Systems Income Fund, Caracal Energy plc, Fairborne Energy Trust and Calpine Power Income Fund. Mr. Hodgins is currently a director 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.

Board and Committee Memberships	2021 Attendance	2021 Attendance (Total)
Board of Directors	8 of 8	
Audit Committee (Chair)	4 of 4	100%
GNC	4 of 4	

#### Securities Held as at March 16, 2022

Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
17,491 Shares				
80,006 DSUs	\$1,662,324	\$634,311	\$2,296,635	Yes
37,203 RSUs				

Voting Results of 2021 Annual Meeting	Votes FOR	Votes WITHHELD
	91.48%	8.52%

#### Other Public Company Boards

AltaGas Ltd.  
Enerplus Corporation  
Gran Tierra Energy Inc.

See Notes to "Information on Director Nominees" on page 19.

Age: 46 Municipality of Residence: Calgary, Alberta, Canada Positions/Offices held: Director Nominee Director Since: Nominated for Election at the Meeting Disciplinary Expertise/Training: Financial/Accounting   Legal   Business Executive		Kim Lynch Proctor		
Ms. Lynch Proctor is an independent businesswoman, an experienced lawyer, accountant and executive with over 20 years of experience. She was the Chief Financial Officer and General Counsel of KERN Partners, an energy focused private equity firm, from 2009 to 2016 and prior thereto a practicing lawyer and chartered professional accountant with Felesky Flynn LLP, Bennett Jones LLP, and Deloitte, respectively, advising corporate clients on domestic and international transactions.				
Ms. Lynch Proctor is currently a director and Chair of the audit committee of Paramount Resources Ltd. and serves on the Board of Trustees of Alaris Equity Partners Income Trust. Ms. Lynch Proctor also serves on the Boards of several non-profit and municipal organizations, including the Calgary Police Commission. Ms. Lynch Proctor obtained both a Bachelor of Commerce and a Bachelor of Laws degree from the University of Calgary, a Master of Laws degree from New York University, is a Chartered Professional Accountant and holds an ICD.D designation from the Institute of Corporate Directors.				
Board and Committee Memberships <sup>(5)</sup>		2021 Attendance <sup>(5)</sup>		2021 Attendance (Total) <sup>(5)</sup>
n/a		n/a		n/a
Securities Held as at March 16, 2022				
Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines? <sup>(5)</sup>
	Vested	Unvested	Total	
10,000 Shares	\$170,500	Nil	\$170,500	n/a
Voting Results of 2021 Annual Meeting		Votes FOR <sup>(5)</sup>		Votes WITHHELD <sup>(5)</sup>
		n/a		n/a
Other Public Company Boards				
Alaris Equity Partners Income Trust				
Paramount Resources Ltd.				

See Notes to "Information on Director Nominees" on page 19.



Age: Municipality of Residence: Positions/Offices held: Director Since: Disciplinary Expertise/Training:	<b>Susan M. MacKenzie</b> 61 Calgary, Alberta, Canada Director ( <b>Independent</b> ) June 17, 2020 Engineering/Geology   Business Executive
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Ms. MacKenzie is a corporate director with over 30 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 development and operations.

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.

Ms. MacKenzie is currently a director of Enerplus Corporation, Precision Drilling Corporation and Freehold Royalties Ltd.<sup>(6)</sup> 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.

Board and Committee Memberships	2021 Attendance	2021 Attendance (Total)
Board of Directors	8 of 8	
HCCC	5 of 5	100%
HSERC	4 of 4	

#### Securities Held as at March 16, 2022

Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
40,000 Shares	\$1,448,159	Nil	\$1,448,159	Yes
44,936 DSUs				

Voting Results of 2021 Annual Meeting	Votes FOR	Votes WITHHELD
	97.91%	2.09%

#### Other Public Company Boards

Enerplus Corporation  
 Freehold Royalties Ltd.<sup>(6)</sup>  
 Precision Drilling Corporation

See Notes to "Information on Director Nominees" on page 19.

Age: Municipality of Residence: Positions/Offices Held: Director Since: Disciplinary Expertise/Training:	<b>Jeffrey J. McCaig</b> 70 Calgary, Alberta, Canada Director ( <b>Independent</b> ) March 1, 2014 Legal   Business Executive
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Mr. McCaig is the Chair of the board of directors of Trimac Transportation of which he was CEO until December 31, 2015. Mr. McCaig is a director of Michichi Capital Corp. (TSX-V Capital Pool Company), and a former director of Potash Corporation of Saskatchewan (from January 2001 until May 2017). Mr. McCaig has been a director of Bantrel Company (a private company) since 2000, becoming its Chair 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 is also a member of the Institute of Corporate Directors.

Board and Committee Memberships	2021 Attendance	2021 Attendance (Total)
Board of Directors	8 of 8	
HCCC	5 of 5	100%
HSERC	4 of 4	

Securities Held as at March 16, 2022				
Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
662,319 Shares				
181,269 DSUs	\$14,383,175	\$627,969	\$15,011,144	Yes
36,831 RSUs				

Voting Results of 2021 Annual Meeting	Votes FOR	Votes WITHHELD
	99.44%	0.56%

Other Public Company Boards
Michichi Capital Corp.

See Notes to "Information on Director Nominees" on page 19.

Age: Municipality of Residence: Positions/Offices Held: Director Since: Disciplinary Expertise/Training:	<b>James D. McFarland</b> 75 Calgary, Alberta, Canada Director ( <b>Independent</b> ), Chair of Human Capital and Compensation Committee June 9, 2010 Engineering/Geology   Business Executive
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Mr. McFarland has over 49 years of domestic and international experience in the oil and gas industry. He is a co-founder of, and has been a director of, Valeura Energy Inc. (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. (Libya and France) from 2004 until its sale in 2009. From 1999 until 2004, he served as Managing Director of shale-oil developer 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, most recently, Pengrowth Energy Corporation (from January 2010 until January 2020) and Arrow Exploration Corp. (from September 2018 until January 2020) and currently serves on the board of directors of the Canadian Association for 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 and received the designation of Professional Engineer in 1974. He is a member of the Institute of Corporate Directors and a Life Member of both the Association of Professional Engineers and Geoscientists of Alberta and the Society of Petroleum Engineers. In 2003, Mr. McFarland was awarded the Australian Centenary Medal for Outstanding Service through Business and Commerce.

Board and Committee Memberships		2021 Attendance	2021 Attendance (Total)	
Board of Directors		8 of 8	100%	
Audit Committee		4 of 4		
HCCC (Chair)		5 of 5		
Securities Held as at March 16, 2022				
Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
30,209 Shares 128,606 DSUs	\$2,707,796	Nil	\$2,707,796	Yes
Voting Results of 2021 Annual Meeting		Votes FOR	Votes WITHHELD	
		99.94%	0.06%	
Other Public Company Boards				
Valeura Energy Inc.				

See Notes to "Information on Director Nominees" on page 19.

Age:	Diana J. McQueen
Municipality of Residence:	60
Positions/Offices held:	Drayton Valley, Alberta, Canada
Director Since:	Director ( <b>Independent</b> ), Chair of Governance and Nominating Committee
Disciplinary Expertise/Training:	October 6, 2015
	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. She is currently the Senior Vice President of Corporate Communications & Stakeholder Relations at Reconnaissance Energy Africa Ltd. (TSX-V listed issuer) and a director of Total Helium Ltd. (TSX-V listed issuer). 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. She is also a member of the Institute of Corporate Directors and holds the ICD.D designation.

Board and Committee Memberships	2021 Attendance	2021 Attendance (Total)
Board of Directors	8 of 8	
HCCC	5 of 5	100%
GNC (Chair)	4 of 4	

#### Securities Held as at March 16, 2022

Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>			Complies with Share Ownership Guidelines?
	Vested (Shares + DSUs)	Unvested (RSUs)	Total	
34,483 Shares				
106,616 DSUs	\$2,405,738	\$237,609	\$2,643,347	Yes
13,936 RSUs				

Voting Results of 2021 Annual Meeting	Votes FOR	Votes WITHHELD
	99.24%	0.76%

#### Other Public Company Boards

Total Helium Ltd.

#### Notes to "Information on Director Nominees":

- (1) As Chair of the Board, Mr. Bruce attends all committee meetings in an *ex-officio* capacity and, for 2021, attended 100% of the committee meetings held.
- (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 March 16, 2022 and valued based on \$17.05, the closing price of Shares on the TSX on March 16, 2022. 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 2021. At each such meeting, the members of the committee, all of whom are independent, also met *in-camera* without Mr. Evans.
- (5) Ms. Lynch Proctor is nominated for election as a director at the Meeting and did not serve as a director in 2021.
- (6) Ms. MacKenzie will retire from the Board of Freehold Royalties Ltd. at its annual meeting to be held on May 10, 2022.

## 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 54.

# Director Compensation

## General

The Corporation's director 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

Since January 1, 2020, the compensation of the Corporation's independent directors consists of an all-inclusive annual retainer structure comprising both a cash and an equity component. Board and committee members do not receive meeting attendance fees and the flat-fee compensation structure applies 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 risk, responsibility and 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 2021 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 that has been in place since January 1, 2020:

	Chair	Member
<b>Board Fees for Independent Directors</b>		
Annual Base Cash Retainer <sup>(1)(2)</sup>	\$165,000	\$70,000
Annual Equity Retainer <sup>(1)(3)</sup>	\$150,000	\$130,000
<b>Committee Fees for Independent Directors</b>		
Annual Retainer for Audit Committee	\$20,000	\$10,000
Annual Retainer for All Other Committees	\$15,000	\$7,000
<b>Meeting Fees</b>		
The Corporation eliminated meeting fees 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 are granted annually.
- (3) 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 annually).

## 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. DSUs are not included in the Shareholder-approved share reserve for the Corporation's equity-based plans. 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. 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" and "Appendix B - Summary of DSU Plan, Option Plan and RSU 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" and "Appendix B - Summary of DSU Plan, Option Plan and RSU Plans".

## 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, 2021.

Name	Fees Earned <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Total Compensation (\$)
Grant D. Billing	87,000	130,000	217,000
Ian D. Bruce	165,000	150,000	315,000
Judy A. Fairburn	84,000	130,000	214,000
Robert B. Hodgins	97,000	130,000	227,000
William R. Klesse	85,000	130,000	215,000
Susan M. MacKenzie	84,000	130,000	214,000
Jeffrey J. McCaig	84,000	130,000	214,000
James D. McFarland	95,000	130,000	225,000
Diana J. McQueen	92,000	130,000	222,000

**Notes:**

- (1) "Fees Earned" includes the annual base cash retainer plus committee fees for the year. Directors may elect to receive up to 100% of their annual base cash retainer in the form of DSUs. Director elections for 2021 were as follows:

	Cash	DSUs
Grant D. Billing		100%
Ian D. Bruce	100%	
Judy A. Fairburn	100%	
Robert B. Hodgins	100%	
William R. Klesse	100%	
Susan M. MacKenzie	100%	
Jeffrey J. McCaig		100%
James D. McFarland	100%	
Diana J. McQueen	100%	

- (2) All Share-based awards were granted pursuant to the RSU Plans and DSU Plan in 2021 in the form of either RSUs or DSUs. 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.
- (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) Disclosure regarding Mr. Evans's compensation can be found under "Summary Compensation Table - NEOs" on page 41.

## Director Detailed Compensation

Below is a detailed breakdown of the fees earned by our independent directors for the year ended December 31, 2021.

Name	Fees Earned					Share-Based Awards <sup>(2)</sup>			Total Compensation (\$)
	Base Retainer <sup>(1)</sup>		Committee Fees (cash)		Total Fees (\$)	RSUs (\$)	DSUs (\$)	Total Awards (\$)	
	Cash (\$)	DSUs (\$)	Chair (\$)	Member (\$)					
Grant D. Billing		70,000	-	17,000	87,000	-	130,000	130,000	217,000
Ian D. Bruce	165,000		-	-	165,000	-	150,000	150,000	315,000
Judy A. Fairburn	70,000		-	14,000	84,000	-	130,000	130,000	214,000
Robert B. Hodgins	70,000		20,000	7,000	97,000	65,000	65,000	130,000	227,000
William R. Klesse	70,000		15,000	-	85,000	-	130,000	130,000	215,000
Susan M. MacKenzie	70,000		-	14,000	84,000	-	130,000	130,000	214,000
Jeffrey J. McCaig		70,000	-	14,000	84,000	65,000	65,000	130,000	214,000
James D. McFarland	70,000		15,000	10,000	95,000	-	130,000	130,000	225,000
Diana J. McQueen	70,000		15,000	7,000	92,000	65,000	65,000	130,000	222,000

**Notes:**

- (1) Directors may elect to receive up to 100% of their annual base cash retainer in the form of DSUs.
- (2) All Share-based awards were granted pursuant to the RSU Plans and DSU Plan in 2021 in the form of either RSUs or DSUs. 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.

The table below sets forth the number of RSUs and DSUs granted to independent directors for the year ended December 31, 2021 based on their individual elections.

Name	Base Retainer Taken as DSUs		Equity Retainer			
	Percent (%)	Units (#)	Taken as RSUs		Taken as DSUs	
			Percent (%)	Units (#)	Percent (%)	Units (#)
Grant D. Billing	100	10,753	-	-	100	19,970
Ian D. Bruce	-	-	-	-	100	23,042
Judy A. Fairburn	-	-	-	-	100	19,970
Robert B. Hodgins	-	-	50	9,985	50	9,985
William R. Klesse	-	-	-	-	100	19,970
Susan M. MacKenzie	-	-	-	-	100	19,970
Jeffrey J. McCaig	100	10,753	50	9,985	50	9,985
James D. McFarland	-	-	-	-	100	19,970
Diana J. McQueen	-	-	50	9,985	50	9,985
Total	-	21,506	-	29,955	-	152,847

**Note:**

- (1) All RSUs and DSUs granted in 2021 to independent directors were granted on April 1, 2021 using the volume weighted average price of the Shares for the five trading days prior to the grant date.

## 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, 2021 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 <sup>(1)</sup> (#)	Market or Payout Value of Share-based Awards that have not Vested <sup>(2)</sup> (\$)	Number of Vested Share-based Awards not Paid out or Distributed (#) <sup>(3)</sup>	Market or Payout Value of Vested Share-based Awards not Paid out or Distributed (\$) <sup>(4)</sup>
Grant D. Billing	3,951	46,227	106,880	1,250,496
Ian D. Bruce	27,218	318,451	58,667	686,404
Judy A. Fairburn	27,218	318,451	51,838	606,505
Robert B. Hodgins	37,203	435,275	80,006	936,070
William R. Klesse	27,218	318,451	84,164	984,719
Susan M. MacKenzie	-	-	44,936	525,751
Jeffrey J. McCaig	36,831	430,923	181,269	2,120,847
James D. McFarland	-	-	128,606	1,504,690
Diana J. McQueen	13,936	163,051	106,616	1,247,407

**Notes:**

- (1) Consists of RSUs granted 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, 2021 closing price of the Shares on the TSX (\$11.70).
- (3) Consists of 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, 2021 closing price of the Shares on the TSX (\$11.70).

## 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, 2021 and non-equity incentive plan compensation earned by such directors during the year ended December 31, 2021. 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 <sup>(1)</sup>	Non-Equity Incentive Plan Compensation
Grant D. Billing	-	226,235	-
Ian D. Bruce	-	253,458	-
Judy A. Fairburn	-	233,459	-
Robert B. Hodgins	-	183,393	-
William R. Klesse	-	248,396	-
Susan M. MacKenzie	-	130,005	-
Jeffrey J. McCaig	-	224,113	-
James D. McFarland	-	130,005	-
Diana J. McQueen	-	91,231	-

**Note:**

- (1) 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 2021 plus the value of the RSUs vested during 2021 (the final 1/3 of RSUs granted in 2018, the second 1/3 of RSUs granted in 2019 and the first 1/3 of RSU granted in 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 associated valuation dates.

## Director Share Ownership Guidelines

The Board's commitment to the success of the Corporation and the alignment of their interests with those of Shareholders is reflected in the share ownership guidelines the Corporation has in place for its independent directors (the "Director Guidelines"). First introduced in 2012, and most recently revised in 2020, the Director Guidelines require each independent director 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. As at December 31, 2021, all independent directors meet or exceed the requirements of the Director Guidelines.

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, 2021.

Name	Ownership Requirement (\$)	As of December 31, 2021				Complies with Guidelines <sup>(2)</sup>
		Shares (#)	DSUs (#)	RSUs (#)	Value of Equity Investment (\$) <sup>(1)</sup>	
Grant D. Billing	600,000	53,951	106,880	3,951	1,927,949	Yes
Ian D. Bruce	945,000	119,535	58,667	27,218	2,403,414	Yes
Judy A. Fairburn	600,000	38,978	51,838	27,218	1,380,998	Yes
Robert B. Hodgins	600,000	17,491	80,006	37,203	1,575,990	Yes
William R. Klesse	600,000	400,000	84,164	27,218	5,983,169	Yes
Susan M. MacKenzie	600,000	40,000	44,936	-	993,751	Yes
Jeffrey J. McCaig	600,000	662,319	181,269	36,831	10,300,902	Yes
James D. McFarland	600,000	30,209	128,606	-	1,858,136	Yes
Diana J. McQueen	600,000	34,483	106,616	13,936	1,813,910	Yes

### Notes:

- (1) "Value of Equity Investment" is calculated using the closing price of the Corporation's Shares on the TSX on December 31, 2021 of \$11.70.
- (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 DSUs and 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”) is pleased to provide you with an overview of the Corporation’s performance in 2021 and its approach to executive compensation. 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.

#### Our Approach to Compensation

The Corporation’s executive compensation program and policies are designed to attract and retain talented individuals with market competitive compensation to ensure they are motivated to pursue our goal of delivering long-term Shareholder value. The Corporation’s compensation program is performance based and payouts are directly linked to both corporate performance and individual achievements. A significant proportion of executive target pay is at risk, in the form of performance-based short-term and long-term incentives. This alignment between Shareholder value 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*”.

The Board believes that Shareholders’ Say-on-Pay support reflects broad Shareholder endorsement that our compensation philosophy aligns with the interests of Shareholders and the Board remains committed to corporate governance best practices and ongoing dialogue with Shareholders to better understand their perspectives and interests.

Last year, 97.85% of Shareholder votes were in favour of the Corporation’s approach to executive compensation.

#### COVID-19

From the onset of the COVID-19 pandemic, the Corporation took immediate steps to keep its employees and contractors, communities and families healthy and its operations running safely. The Corporation’s Christina Lake facility was deemed an essential service by the Alberta Government and the Corporation’s employees and contractors worked tirelessly to maintain safe and reliable operations. The Corporation provided employees and contractors with COVID-19 vaccine educational resources and publicly supported the provincial vaccination rollout plans. As a result, the Corporation achieved a commendable record in limiting COVID-19 to only two outbreaks in its operations in 2021. In addition, recognizing the toll that COVID-19 has taken on the mental health of its employees, contractors and communities in which it operates, the Corporation enacted policies and programs and increased communication with employees, contractors and communities to provide support and care.

#### 2021 Executive Compensation Decisions

Leading into 2021, and in order to align with long-term Shareholder experience, the Board continued to freeze base salaries of the Corporation’s executives. The salaries of the Corporation’s NEOs have been increased only once in the past six years (in January 2018), other than salary increases associated with an increase in responsibilities. The Board also decided not to include stock options as part of the 2021 long-term incentive compensation mix in order to minimize share dilution.

The Corporate Performance Scorecard for 2021 approved by the Board in late 2020 emphasized strong health, safety and environmental measures and the Corporation’s strategic focus on financial discipline, continued debt reduction and the cost-effective and opportunistic return of the Christina Lake facility to full production capacity. Strategic performance indicators in the 2021 Corporate Performance Scorecard reflected the Corporation’s continued focus on its ESG priorities and initiatives.

The Corporation had a very strong operational and financial performance in 2021 while successfully navigating a second year of health and safety challenges associated with COVID-19. Key accomplishments in 2021 include:

- Zero employee and contractor lost time incidents in 2021;
- Repaid US\$325 million of debt, exiting the year with net debt of US\$1.9 billion;
- Increased production throughout 2021 to exit the year at a production capacity greater than 100,000 barrels per day (prior to the impact from scheduled maintenance activity or outages);
- Established a mid-term target of 30% reduction in bitumen GHG emissions (scope 1 and scope 2) from 2013 levels by 2030 (this is in addition to the Corporation’s long-term target of reaching net zero scope 1 and scope 2 GHG emissions by 2050);



- Released its second ESG report aligned with guidance from Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Disclosure (TCFD);
- Continued to advance its decarbonization plans by, among other things, becoming part of the Oil Sands Pathways to Net Zero Alliance and progressing its technology initiatives;
- Adopted and rolled out a new Inclusion and Diversity Policy; and
- Completed Indigenous awareness training among active staff and directors.

In applying the Corporate Performance Scorecard to the Corporation's performance in 2021, the performance targets in the scorecard yielded an unadjusted corporate performance factor of 173%. In evaluating these results, the Board uses informed judgment and takes a holistic view, considering circumstances such as the macroeconomic environment and other relevant factors that may not be reflected in the performance rating for each category. After consideration of the results for the Corporation's 2021 Corporate Performance Scorecard, the Board elected to apply downward discretion to the corporate performance factor from 173% to 165% based upon the Board's overall assessment of operational performance.

## Leadership Changes

In September 2021, Ms. Darlene Gates was appointed as the Corporation's Chief Operating Officer and Mr. Chi-Tak Yee was appointed as the Corporation's Chief Technology Officer. Ms. Gates, who brings strong operational and leadership experience in oil sands operations and a successful track record of leading technical teams and stakeholder relations, including Indigenous communities, will support the Corporation's commitment to exceptional operational performance and to achieving net zero scope 1 and scope 2 GHG emissions. Mr. Yee is a recognized leader in in-situ development in the oil sands industry and was a key driver in the development and application of the Corporation's innovative technologies such as eMSAGP and eMVAPEX and architect of its commercial production growth path. In his role as Chief Technology Officer, Mr. Yee's focus will be on the development of technology solutions to assist the Corporation in achieving its climate-related targets.

## CEO Compensation

Compensation of the Corporation's CEO, Derek Evans, for 2021 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 late 2020. The CEO objectives were primarily focused on the Corporation's response to the challenges associated with COVID-19, returning production to plant capacity levels, reducing debt, human capital development, and advancing the Corporation's ESG priorities and initiatives. Mr. Evans' 2021 individual performance rating as adopted by the Board was 180% out of 200%, resulting in a bonus award of \$1,008,000, or 168% of the target STI award opportunity (i.e. 80% weighted to Corporate Scorecard Performance factor of 165% and 20% to individual performance rating of 180%). No discretionary adjustment was made to the CEO's annual STI award in 2021. The details of the Board's evaluation of Mr. Evans' 2021 performance can be found under the heading "*Individual Performance of CEO*".

## Looking Forward

The Corporation's strategic focus in 2022 is to direct 100% of free cash flow to debt repayment until the Corporation reaches its near-term debt target of US\$1.7 billion and, upon reaching its near-term debt target, to allocate approximately 25% of free cash to shareholder returns with the remaining free cash flow applied to ongoing debt reduction. The Corporation's capital budget for 2022 is focused on sustaining stream day production capacity of approximately 100,000 barrels per day and annual production in the range of 94,000-97,000 barrels per day, taking into account a planned major plant turnaround. In addition, the Corporation is committed to furthering its ESG priorities including: health, safety and environmental matters with a focus on "green hands" and safety culture development programs to proactively address the risk of increased incidents as industry activity levels ramp up, and a continued focus on mental health; GHG emissions reduction (including the Corporation's related technology development plans); human capital development; and inclusion and diversity. 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 competitive 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, email at [invest@megenergy.com](mailto:invest@megenergy.com) or by telephone at 403.767.0515.

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**JAMES D. MCFARLAND**, Human Capital and Compensation Committee Chair

# Compensation Discussion and Analysis

## Executive Summary

As the COVID-19 pandemic continued through 2021, the Corporation proactively responded to ensure the health and safety of all its personnel and business partners and the safe and reliable operations of its Christina Lake facility. In addition, improved commodity prices in 2021, in line with increased global oil demand and optimism relating to vaccine rollouts, provided a solid basis for the Corporation to continue to reduce debt while also advancing its strategic goal of returning its Christina Lake facility to full production capacity.

### Financial Results

The Corporation's significant financial accomplishments during 2021 include:

- 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 the remaining US\$600 million in aggregate principal amount of 7.0% senior unsecured notes due 2024;
- In July 2021, the Corporation redeemed US\$100 million in aggregate of its 6.50% senior secured second lien notes due 2025;
- Subsequent to year end, on January 18, 2022, the Corporation redeemed US\$225 million aggregate principal amount of its 6.50% senior secured second lien notes due 2025;
- The Corporation generated adjusted funds flow of \$799 million in 2021 and exited the year with \$361 million cash-on-hand and net debt of US\$1.9 billion after debt reduction over the last four years of approximately US\$2 billion;
- The Corporation announced in November 2021 that until the Corporation reaches its near-term net debt target of US\$1.7 billion, 100% of free cash flow generated will go towards debt repayment and thereafter the Corporation expects to allocate 25% of free cash flow to Shareholder returns through a share buyback program and 75% to continued debt repayment until the Corporation reaches a net debt balance of US\$1.2 billion; and
- Sale of non-core Heartland land asset near Edmonton for \$44 million.

### Operational Results

The Corporation's significant operational accomplishments during 2021 include:

- Zero employee and contractor lost time incidents;
- Increased production throughout 2021 to exit the year at a production capacity greater than 100,000 barrels per day (prior to the impact from scheduled maintenance activity or outages);
- Annual bitumen production volumes of 93,733 barrels per day, compared to 82,441 barrels per day in 2020. Contributing to the increase in production volumes was increased capital expenditures on well development and reduced 2021 turnaround requirements resulting from the Corporation's decision in 2020 to expand the scope of the 2020 turnaround in order to minimize staff levels at site during COVID-19 and maximize the utilization of the Corporation's internal resources. In addition, increased steam utilization, improved field reliability, completed and ongoing well optimization and recompletion work all contributed to strong field-wide production performance in 2021;
- Non-energy operating costs were \$143 million, or \$4.24 per barrel, in 2021 compared to \$133 million, or \$4.38 per barrel, in 2020. General and administrative expense was \$56 million, or \$1.65 per barrel, in 2021 compared to \$49 million, or \$1.62 per barrel, in 2020. Many of the cost reduction measures undertaken by the Corporation in 2020 to reduce costs through salary rollbacks, reduction in staffing levels and vendor concessions were temporary and, consistent with the improved price environment and production-related activities in 2021, costs were normalized;
- Completion of the Phase 2B2X brownfield expansion, resulting in increased steam generation capacity by approximately 15%; and
- Capital expenditures in 2021 totalled \$331 million compared to \$149 million in 2020. The capital program was increased in July 2021 from the original budget of \$260 million, with the majority of the increased capital program being directed toward sustaining and maintenance activities including the addition of incremental well capital to support the opportunistic decision to increase bitumen production capacity to 100,000 barrels per day to fully utilize the Christina Lake facility's oil processing capacity.

### Environmental, Social and Governance Activities

The Corporation advanced its Environmental, Social and Governance ("ESG") objectives with the establishment of a mid-term target of 30% reduction in bitumen GHG emissions (scope 1 and scope 2) from 2013 levels by 2030. This target is in addition to the Corporation's previously established long-term target of reaching net-zero GHG emissions (scope 1 and scope 2) by 2050. Also in 2021, the Corporation, along with four oil sands operators who collectively operate 90% of Canada's oil sands production, formed the Oil Sands Pathways to Net Zero Alliance with the objective of working with the Federal and Alberta governments to achieve net zero GHG emissions from oil sands operations by 2050. This Alliance has grown to six companies operating approximately 95% of Canada's oil sands production and is focused on building a major CO<sub>2</sub> capture and storage trunkline,

connecting oil sands facilities in the Fort McMurray, Christina Lake and Cold Lake regions of Alberta, to a CO<sub>2</sub> sequestration hub near Cold Lake. This enabling infrastructure is a key element to achieving net zero GHG emissions by 2050.

The Corporation published its second ESG report in 2021 in an effort to provide consistent, relevant information that is useful to Shareholders and other Stakeholders to provide greater transparency on ESG and climate-related risks. The report is aligned with guidance from the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). The ESG report also references the Global Reporting Initiative (GRI) and the United Nations Sustainable Development Goals (SDGs).

In October 2021, the Corporation launched its Indigenous Awareness Training for all employees, contractors and directors in an effort to evolve our understanding of Indigenous history and culture in Canada and to highlight some of the communities and traditional lands in which the Corporation operates.

### **Leadership Changes**

In September 2021, Ms. Darlene Gates was appointed as the Corporation's Chief Operating Officer and Mr. Chi-Tak Yee was appointed as the Corporation's Chief Technology Officer. Ms. Gates brings strong operational and leadership experience in oil sands operations and a successful track record of leading technical teams and stakeholder relations, including Indigenous communities, which will support the Corporation's commitment to exceptional operational performance and to achieving net zero scope 1 and scope 2 GHG emissions. Mr. Yee is a pioneer and leader in in-situ development in the oil sands industry and was a key driver of the Corporation's innovative technologies such as eMSAGP and eMVAPEX and an architect of its commercial production growth path. In his role as Chief Technology Officer, Mr. Yee's focus will be on the development of technology solutions to assist the Corporation in reaching its climate-related targets.

### **Linking Business Results to Compensation**

After the incredibly challenging environment faced by the oil and gas industry in 2020, the Board took the following compensation actions early in 2021 to address the ongoing uncertainty associated with the COVID-19 pandemic:

- **Continued Base Salary Freezes.** The Board elected to continue the base salary freeze for the Corporation's executive officers in 2021; and
- **Eliminated Stock Options as part of the 2021 LTI Compensation for all Employees.** In response to the ongoing COVID-19 pandemic, the Corporation elected not to include stock options as part of the LTI mix to minimize share dilution.

The Corporation's strong performance in 2021 is reflected in its 2021 Corporate Performance Scorecard results and in the 2021 PSU multiplier. In evaluating these results, the Board uses informed judgment and takes a holistic view considering circumstances such as the macroeconomic environment and other relevant factors that may not be reflected in the performance rating for each category. After consideration of the results for the Corporation's 2021 Corporate Performance Scorecard, the Board elected to apply downward discretion to the corporate performance factor from 173% to 165% based upon the Board's overall assessment of operational performance.

## **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 design supports its "pay for performance" culture, creating alignment with Shareholder and other stakeholder value through annual and long-term corporate strategic measures.

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 linked directly to the Corporation's strategic objectives and shaped based on feedback from Shareholder engagement 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 on which the 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 programs are properly coordinated, market 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 equity; 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 2021 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") as its independent advisor in 2021 to:

- Review the Corporation's 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;
- Review the Corporation's performance peer group (the "Performance Peer Group"). This peer group is used to for the purpose of benchmarking relative total shareholder return (TSR) performance under the Corporation's PSU program;
- Complete an assessment of the Corporation's compensation-related risks and provide advice on compensation risks on an ongoing basis;
- Provide updates on market trends and compensation governance; and
- Evaluate the alignment of realizable compensation and performance.

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 and Meridian with respect to services provided to the HCCC and to management for the years ended December 31, 2020 and December 31, 2021.

	Mercer		Meridian		Total	
	2021	2020	2021	2020	2021	2020
Executive Compensation Related Fees (\$)	55,957	38,833	79,951	34,115	135,908	72,948
All Other Fees <sup>(1)</sup> (\$)	61,539	63,217	-	-	61,539	63,217
Total (\$)	117,496	102,050	79,951	34,115	197,447	136,165

#### **Note:**

- (1) Includes consulting fees paid for other matters that apply to the Corporation as a whole, such as commissions on group benefit plans.

### *Benchmarking*

In setting the compensation for executive roles, the Corporation targets compensation within a competitive range of market median, focusing on total direct compensation, including base salary, cash bonuses and LTI grants. The Corporation's compensation design supports its "pay for performance" culture, creating alignment with Shareholder and other stakeholder value through annual and long-term corporate strategic measures.

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's self-assessment against the Board-approved CEO goals and objectives 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.

## 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 the HCCC and Board of executive compensation policies and practices relative to appropriate industry peers;
- HCCC is comprised of entirely of independent directors;
- Meridian is engaged by the HCCC to review the risks associated with its compensation programs and Meridian attends all HCCC meetings;
- There are overlaps within the membership of Board Committees which ensures that the HCCC has a thorough understanding of the Corporation's enterprise risks when making decisions respecting compensation;
- HCCC has discretion to adjust incentive payouts;
- Use of two carefully considered peer groups, one for assessing compensation (Compensation Peer Group) and the other for measuring relative total shareholder return for PSU performance assessment (Performance Peer group);
- Blend of fixed and variable compensation and a weighting of share-based compensation towards at-risk compensation;
- Use of an annual "balanced scorecard" which includes financial, operational and sustainability measures, requiring that results be achieved in a balanced, sustainable manner;
- Awards under the Corporation's annual incentive plan are based on corporate-wide metrics and individual performance;
- Balance of relative and absolute targets in the Corporation's long-term incentive compensation program;
- Absence of option awards in the Corporation's recent share-based compensation program reducing leverage and providing retention value in both high and low performance cycles through the Corporation's other RSU Plans;
- Regular annual awards of share-based compensation provides overlapping vesting periods and maintains executives' exposure to the risks of their decision making through their unvested share-based awards to address longer "tail" risks;
- Share ownership requirements support sustained long-term value creation and meaningful shareholder alignment;
- Financial performance underlying incentive compensation based upon annual audited financial results; and
- The accuracy and quality of the financial measures used for the Corporation's incentive plans are reviewed by the Audit Committee, the relative TSR measure is confirmed by the HCCC's independent consultant, and the safety and environmental performance measures are reviewed by the HSERC.

## Anti-Hedging Policy

In addition to the foregoing structural measures, the Corporation's Insider Trading and Disclosure Policy contains anti-hedging provisions which prohibit directors, officers, employees and consultants 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 such person.

## 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, Chief Technology 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. In 2021, the Board, on recommendation from the HCCC, amended the Share Ownership Guidelines to exclude PSUs from the calculation of total holdings. This amendment aligns with good corporate governance practices. See "Compensation of Named Executive Officers - Executive Share Ownership Guidelines" for more information on share ownership of the current NEOs.

## Compensation Benchmarking

The Corporation targets compensation for executive roles within a competitive range of market median and uses benchmarking as a reference in setting 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: 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

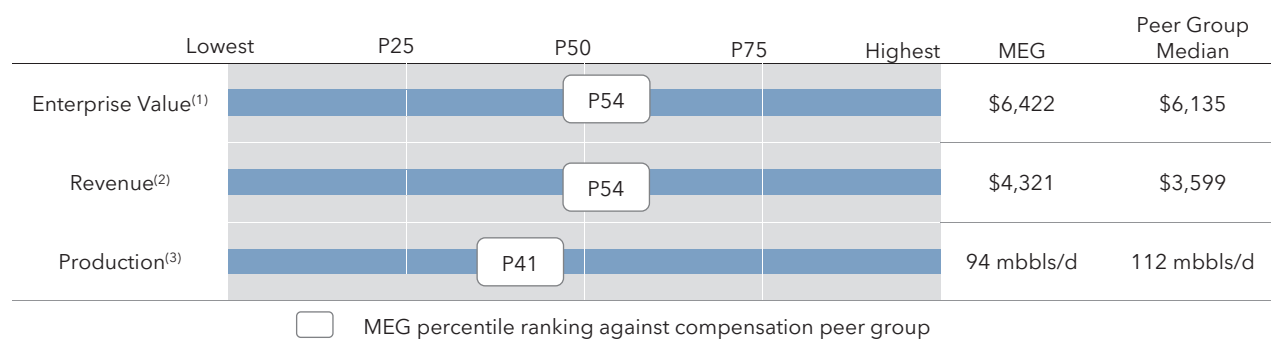
Organizations rarely meet all of the selection criteria, but alignment on most criteria usually indicates that the organization competes with the Corporation for executive talent and is an appropriate peer for compensation benchmarking.

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 2021, the Corporation maintained the same Compensation Peer Group as 2020, consisting of the following 16 companies:

ARC Resources Ltd.	Keyera Corp.
Athabasca Oil Corporation	NuVista Energy Ltd.
Baytex Energy Corp.	Ovintiv Inc.
Cenovus Energy Inc.	Pembina Pipeline Corporation
Crescent Point Energy Corp.	Seven Generations Energy Ltd.
Enerplus Corporation	Tourmaline Oil Corp.
Husky Energy Inc.	Vermilion Energy Inc.
Inter Pipeline Ltd.	Whitecap Resources Inc.

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, 2021. Enterprise Value is a non-GAAP measure. See "Advisories - Non-GAAP Financial Measures" for further details.
- (2) Trailing 12-months revenue as of Q4 2021 in \$ millions.
- (3) 2021 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 2021 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 2021 Performance Peer Group initially consisted of 18 companies and was reduced to 15 companies during the course of the year as a result of corporate acquisitions:

ARC Resources Ltd.	NuVista Energy Ltd.
Athabasca Oil Corporation	Obsidian Energy Ltd.
Baytex Energy Corp.	Ovintiv Inc.
Cenovus Energy Inc.	Paramount Resources Ltd.
Crescent Point Energy Corp.	Seven Generations Energy Ltd. <sup>(1)</sup>
Enerplus Corporation	TORC Oil & Gas Ltd. <sup>(1)</sup>
Gran Tierra Energy Inc.	Tourmaline Oil Corp.
Husky Energy Inc. <sup>(1)</sup>	Vermilion Energy Inc.
Imperial Oil Limited	Whitecap Resources Inc.

**Note:**

- (1) Husky Energy Inc., Seven Generations Energy Ltd. and TORC Oil & Gas Ltd. were acquired during 2021 and, accordingly, were removed from the 2021 Performance Peer Group.

## 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"> <li>➤ Compensation related to discharge of duties and based on role, skills and responsibility</li> <li>➤ Competitive with P50 of Compensation Peer Group for executives</li> <li>➤ Determined by the Board based on recommendation HCCC</li> <li>➤ 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</li> </ul>	<ul style="list-style-type: none"> <li>➤ Market competitive feature designed to attract and retain high performing executives</li> </ul>
Short-Term Incentives   Cash Bonus (Variable) Annual	<ul style="list-style-type: none"> <li>➤ Determined using each executive's individual bonus target as a percentage of base salary, weighted between corporate performance scorecard results and individual performance</li> <li>➤ See discussion below under the heading "Short-Term Incentive Compensation" for targets, corporate vs individual weighting and 2021 Corporate Performance Scorecard results</li> <li>➤ Intended to motivate and reward executives where they achieve or surpass annual corporate goals</li> </ul>	<ul style="list-style-type: none"> <li>➤ Motivate and reward executive officers to contribute to the satisfaction of the Corporation's short-term strategic and operational goals</li> </ul>
Long-Term Incentives <sup>(1)</sup>   Restricted Share Units (RSUs) (Variable) 1-3 Years	<ul style="list-style-type: none"> <li>➤ RSU awards vest and are settled in thirds on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> 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</li> <li>➤ 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</li> <li>➤ Annual grant</li> </ul>	<ul style="list-style-type: none"> <li>➤ Provides ability to attract and retain talent while ensuring alignment of executive interest with Shareholder interest by linking pay to performance</li> <li>➤ 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</li> </ul>
Long-Term Incentives <sup>(1)</sup>   Performance Share Units (PSUs) (Variable) 3 Years	<ul style="list-style-type: none"> <li>➤ PSU awards are administered under the RSU Plan but have performance conditions attached to them</li> <li>➤ PSUs become eligible to vest in thirds on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> anniversary of the date of the grant (as adjusted by a multiplier referenced below) with cliff vesting occurring on the 3<sup>rd</sup> anniversary of the date of the grant</li> <li>➤ 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)</li> <li>➤ Performance measures set annually for each separate performance period rather than for a single three-year performance period.</li> <li>➤ The Corporation issued PSUs 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 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</li> <li>➤ Annual grant</li> </ul>	<ul style="list-style-type: none"> <li>➤ Rewards contribution toward high corporate performance</li> <li>➤ Encourages long-term strategic decision making which is aligned with Shareholder interests</li> <li>➤ Decision to set targets for three annual performance periods rather than for a single three-year performance period is intended to recognize the practical challenges involved in setting meaningful long-term performance targets in the volatile and rapidly changing business environment in which the Corporation operates.</li> </ul>
Long-Term Incentives <sup>(1)</sup>   Stock Options (Options) (Variable) 1-3 Years	<ul style="list-style-type: none"> <li>➤ Option awards vest annually in thirds on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> anniversary of the date of the grant</li> <li>➤ Annual grant</li> <li>➤ Awards expire on 7th anniversary of grant date</li> <li>➤ Options were not included in the compensation mix for 2020 and 2021</li> </ul>	

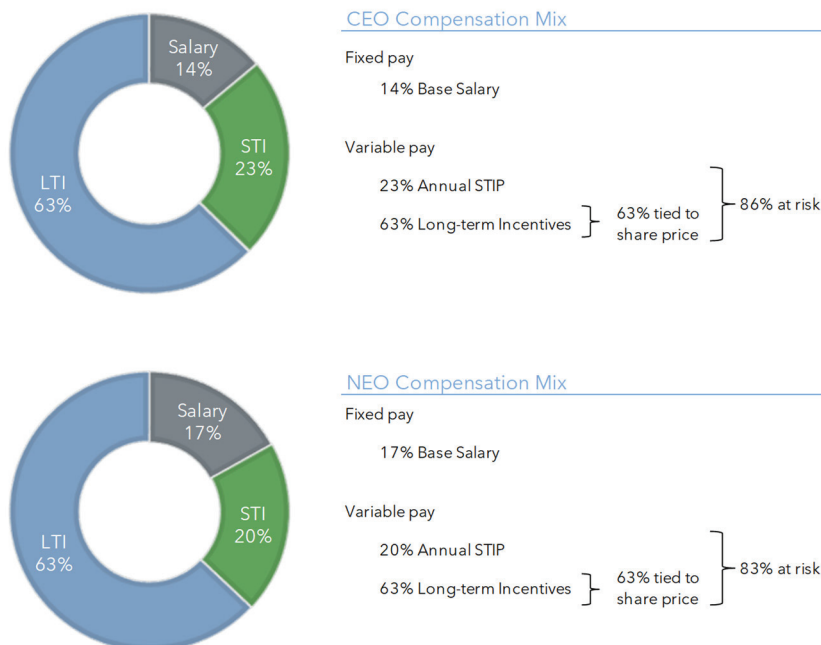
Component and Performance Period	Description	Objective
Benefits and Perquisites Annual	<ul style="list-style-type: none"> <li>➤ Parking, perquisite allowance, medical and dental benefits, savings plan contributions, executive medical</li> <li>➤ The Corporation does not have a pension plan</li> </ul>	➤ Market competitive feature designed to attract and retain high performing executives

**Note:**

- (1) A detailed description of the material terms of the Corporation's RSU Plans (under which PSUs are also granted) and Option Plan, can be found under the heading "Long-Term Equity Incentive Plans" and in Appendix B. Full copies of the plan text for each of the Option Plan and treasury-settled RSU Plan can be found in Appendices C and D, respectively.

## Compensation Mix

The following charts illustrate the proportion of 2021 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:

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

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.

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

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

## 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 competitiveness of 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 or 2021.

2021 NEO LTI TARGET RANGES (% OF BASE SALARY)	
CEO	300%-500%
CFO/COO/CTO	200%-400%
SVP	150%-250%
VP	100%-200%

2021 NEO LTI MIX	
PSUs	50%
RSUs	50%

## Changes to Executive Compensation for 2022

### Long-Term Compensation Mix

For 2022, based upon the recommendation of the HCCC, the Board revised the LTI mix percentages in place for executives from 50% PSUs and 50% RSUs to 60% PSUs and 40% RSUs.

### PSU Performance Measures

Also for 2022, based upon the recommendation of the HCCC, the Board revised the performance measures for PSUs issued under both its Restricted Share Unit Plan and its Cash-Settled RSU Plan to include a mix of performance measures which are set annually for each year during the three-year term of the PSU and those which are set for a single three-year performance period. In particular, the 2022 PSU performance measures include a three-year relative TSR performance measure and an annual measure for the first year performance period based upon the Corporation's capital efficiency.

## 2021 Compensation Performance

### Measuring 2021 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 the 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. Although many of the targets are numerical in nature, the evaluation process also involves the use of informed judgment and a holistic view considering circumstances such as the macroeconomic environment and other factors that may not be reflected in the performance rating for each category. The Board may revise the calculated corporate rating if, in its application of informed judgment, it deems a revision to be warranted.

### 2021 Corporate Performance Scorecard

The Corporation established and received Board approval of its 2021 Corporate Performance Scorecard in late 2020. The scorecard was comprised of four categories the following weightings: Health, Safety & Environment (25%); Financial (30%); Operational (30%); and Strategic (15%). The demanding targets in the scorecard reflected the Corporation's enhanced focus on health, safety and environmental matters and its strategic focus on continued debt reduction and returning Christina Lake facility to full production capacity. Strategic performance indicators reflected the Corporation's continued focus on its ESG priorities and initiatives.

HEALTH, SAFETY & ENVIRONMENT   25%						
Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)	Result	Weight	Final Score
Employee & Contractor LTI	2	1	0	0	4.0%	2.00x
Potentially Serious Events	9	7	5	6	4.0%	1.50x
Contractor Audits	14	16	18	16	4.0%	1.00x
Compliance AER Inspections	Industry Avg +3%	Industry Avg +5%	Industry Avg +7%	22/23	3.5%	2.00x
GHG Compliance Intensity (kgCO <sub>2</sub> E/bbl)	TIER Facility Benchmark + 3 62 kgCO <sub>2</sub> E/bbl	TIER Facility Benchmark 59 kgCO <sub>2</sub> E/bbl	TIER Facility Benchmark - 3 56 kgCO <sub>2</sub> E/bbl	60	3.5%	0.67x
Reportable Spill Intensity (m <sup>3</sup> /million m <sup>3</sup> )	2.2	1.9	1.6	39.79	3.0%	0.00x
Reportable Spill Count	8	6	4	5	3.0%	1.50x
FINANCIAL   30%						
Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)	Result	Weight	Final Score
G&A (\$/bbl)	\$1.82	\$1.74	\$1.65	\$1.64	10.0%	2.00x
Net Debt to last 12-Months EBITDA <sup>(1)</sup>	6.3x	5.2x	4.5x	2.3x	10.0%	2.00x
Adjusted Funds Flow per share <sup>(2)</sup> (\$ / share)	\$0.70	\$1.02	\$1.30	\$2.54	10.0%	2.00x

OPERATIONAL   30%						
Performance Indicator	Threshold (0x)	Target (1x)	Maximum (2x)	Result	Weight	Final Score
Production barrels per day	83,800	86,800	89,900	93,700	12.5%	2.00x
Non-energy Opex <sup>(3)</sup> (\$/bbl)	\$5.11	\$4.89	\$4.68	\$4.26	12.5%	2.00x
Capital expenditures (\$mm)	\$280	\$260	\$240	\$329	5.0%	1.75x

STRATEGIC   15%			
Performance Indicator	Target (All strategic targets offer opportunity to earn 0x to 2x factor)	Weight	Final Score
ESG Initiatives	<ul style="list-style-type: none"> <li>Produce 2021 Sustainability Report with focus on priority topics and alignment with sustainability frameworks.</li> <li>Progress work on alignment with TCFD climate scenario analyses.</li> <li>Roll out 2030/2050 targets in 2021 Sustainability Report</li> </ul> <b>Result:</b> 1) Published an updated and more comprehensive 2021 Sustainability Report with a focus on priority topics, alignment with sustainability frameworks, adoption of TCFD, and including a new 2030 GHG emissions reduction target; and 2) Active participant in the Oilsands Pathways to Net Zero alliance that is working to ensure the required fiscal and regulatory regimes to build the enabling infrastructure to ensure the Corporation's net zero ambitions are achieved by 2050.	4.0%	2.00x
Diversity and Inclusion	<ul style="list-style-type: none"> <li>Continue to advance and measure impact effectiveness.</li> <li>Roll out Indigenous awareness training.</li> </ul> <b>Result:</b> 1) Inclusion and Diversity Policy approved in May 2021 and rolled out to organization; 2) NEO gender diversity increased to 20% with addition of new COO; and 3) Rolled out Indigenous Awareness Training across entire organization	4.0%	1.00x
Technology Development	<ul style="list-style-type: none"> <li>Develop technologies that have the potential of reducing GHG emissions while enhancing profitability.</li> </ul> <b>Result:</b> 1) Continued to advance the NextStream bitumen viscosity reduction pilot project: fully operational by Q2 2021 despite numerous delays due to COVID-19. Pilot had high reliability and provided meaningful results. Shutdown only 3 times during the year for maintenance and modifications; and 2) Carbon capture and sequestration initiative: continue to evaluate the potential of shallow aquifer CO <sub>2</sub> sequestration potential with government funding 75% of the activities. Assembled an ad hoc team to look at business opportunities to reduce carbon emissions intensity and enhance project profitability.	4.0%	1.00x
Enhance Ability to Refinance / Repay Debt	<ul style="list-style-type: none"> <li>Continued focus on all cost structures, continued review of non-core assets and optimization of production and capital to maximize cash flow</li> </ul> <b>Result:</b> 1) Refinancing of 2024 Notes, extending the maturity to 2029 at a coupon of 5.875%; 2) Sale of non-core land asset for \$44 million; and 3) repaid or announced repayment of US\$325 million of debt.	3.0%	2.00x
2021 Calculated Performance Factor			1.73x
2021 Board Approved Performance Factor			1.65x

**Notes:**

- (1) Net Debt to last 12-Months EBITDA is a non-GAAP measure. See "Advisories - Non-GAAP Financial Measures" for further details.
- (2) Adjusted funds flow is a capital management measure. See "Advisories - Non-GAAP Financial Measures" for further details.
- (3) Non-energy Opex is supplementary financial measure. See "Advisories - Non-GAAP Financial Measures" for further details.
- (4) After consideration of the results for the Corporation's 2021 Corporate Performance Scorecard, the Board, in its application of informed judgment, elected to apply downward discretion to the corporate performance factor from 173% to 165% based upon the Board's overall assessment of the Corporation's operational performance.

## 2022 Corporate Performance Scorecard

For 2022, the Corporate Performance Scorecard, approved by the Board in late 2021, was revised to comprise two categories with weightings as follows: ESG (35%) and Financial & Operational (65%). The ESG category aggregates performance indicators relating to health, safety and environment and human capital, with new metrics related to succession and development, total spill volume and GHG intensity, reflecting the Corporation's commitment to its people, to continuous improvement and to decarbonizing its business. The Financial & Operational metrics include free cash flow and continued debt reduction and sustaining bitumen production capacity, reflecting the Corporation's strategic focus on fully utilizing the Christina Lake facility's oil processing capacity of approximately 100,000 barrels per day and achieving its near-term debt target of US\$1.7 billion.



	Performance Indicator	Weight
ESG 35%	Lost Time Incidents	6%
	Potentially Serious Events	5%
	Inspection Compliance	4%
	Total Spill Volume	4%
	Steam Oil Ratio (SOR) (GHG Intensity Measure)	5%
	Succession & Development	3%
	Inclusion & Diversity	3%
	Advance Decarbonization Plans	5%
		35%
	Performance Indicator	Weight
Financial and Operational 65%	Free Cash Flow (\$mm)	15%
	Production (bbls/d)	25%
	Non-energy Operating Costs (\$/bbl)	20%
	Continue Normalization of Balance Sheet	5%
		65%

## 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 2021, which were focused on: the Corporation's response to the challenges associated with COVID-19; returning production to plant capacity levels and reducing debt; human capital; and advancing the Corporation's ESG priorities and initiatives. The 2021 CEO objectives and results are set out in the following table.

2021 Objectives	2021 Targets	2021 Results
<b>Health, Safety &amp; Environment</b>	Safe and reliable operations in an ongoing COVID environment, with increased focus on mental health	✓ Despite two outbreaks in 2021, the Corporation's response to the pandemic has been exceptional. The Corporation has been an industry leader in leveraging antigen screening and PCR testing. The Corporation's efforts to enhance mental health activity and support were noted positively by employees in the COR Audit. Overall safety and environment performance improvements ongoing.
<b>Rebuild Production Levels to Optimize Plant Capacity</b>	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	✓ Returned production to 100,000 bbls/d in Q4, 2021 utilizing less than budgeted capital and no additional staff
<b>Advance ESG</b>	Continue to advance all aspects of ESG, including CO <sub>2</sub> technology solutions, 2030 and 2050 targets, alignment with TCFD, 2021 ESG report and sustainable finance options	✓ All ESG targets achieved in 2021 including a more comprehensive ESG Report, 2030 targets and adoption of TCFD
<b>Human Capital Development</b>	Complete execution against leadership development timeline	✓ Exceeded targets for leadership development delivery and leveraged Alberta job grants to offset \$100,000 in costs.
<b>Enhance Ability to Refinance and Repay Debt</b>	Continued focus on all cost structures, sale of non-core assets, optimization of term obligations all focused on maximizing cash flow	✓ Refinanced US\$600 million of long-term debt in January 2021. Sold Heartland property for \$44 million. Repaid or announced repayment of US\$325 million of 2025 term debt. Provided clarity on going forward share buyback and debt reduction strategy
<b>Leverage External Influence</b>	Proactively anticipate and influence industry response to external events and influences to align with the best interest of MEG	✓ Ongoing efforts with federal, provincial and industry partners on Pathways Initiative.
<b>Enhance Inclusion &amp; Diversity Strategy</b>	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	✓ Successfully rolled out Indigenous Awareness Training across entire organization. Adopted new Inclusion and Diversity Policy.

Mr. Evans' 2021 individual performance rating as adopted by the Board was 180% out of 200%, resulting in a bonus award of \$1,008,000, or 168% 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 2021.

The 2022 CEO objectives, as approved by the Board in December 2021, are set out in the following table:

2022 Objectives	2022 Targets
<b>Health, Safety &amp; Environment</b>	Develop and execute on "Green Hands" and Safety Culture Development programs to proactively address the risk of increased incidents as industry activity levels ramp-up. Continued focus on safe and reliable operations in an ongoing COVID environment and associated mental health.
<b>De-bottleneck and Optimize Existing Plant Capacity</b>	Increase emulsion and produced water capacity by five percent (5%).
<b>Decarbonize</b>	Demonstrate progress on all decarbonization initiatives (SOR reductions, Erase pilot, CL Pre-Feed, cost estimate and capture schedule, technology selection, Pathways Initiative).
<b>Human Capital Development</b>	Continued focus on development of growth of our human capital. Role out succession and development program focused on the ongoing development of staff in key roles and associated skills gaps.
<b>Enhance Ability to Refinance/Repay Debt / Return of Capital to Shareholders</b>	Communicate/role out and execute on return of capital program. Continued focus on all cost structures, optimization of term structures and maximization of free cash flow.
<b>External Influence</b>	Secure Federal and Provincial support for Pathways Initiative. Proactively anticipate and influence industry response to external events and influences to align with best interest of MEG.
<b>Inclusion &amp; Diversity</b>	Launch strategy to improve talent diversity. Advance I&D awareness across the organization. Continue to advance Indigenous awareness. Measure the impact and effectiveness of these two initiatives.

## 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, averaged 167.5% out of 200%, which, weighted with a corporate performance factor of 165%, resulted in annual performance bonus awards of 164% to 166% of base salary. No discretionary adjustments were made to the annual STI award for any NEO in 2021.

## Measuring 2021 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 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 the 2021 performance year, the Board adjusted the PSU performance measures to reflect the Corporation's strategic focus on returning the Christina Lake facility to full production capacity, resulting in the following PSU performance measures and weightings being approved:

2021 Performance Measures	Weighting
Production	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 2019, 2020 and 2021 performance years:

Year	Measure	Weighting	Threshold	Target <sup>(1)</sup>	Maximum	Actual	Evaluation Timing	Unweighted Multiplier	Weighted Multiplier
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
	Non-Energy Operating Costs ("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 <sup>(2)</sup>	Q1 2020	2.0	1.20
<b>2019 PSU Multiplier:</b>									<b>1.96</b>
2020	Debt Repayment	20%	\$nil	\$130M	\$500M	\$132M	Q1 2021	1.02	0.20
	NEOC (\$/bbl)	20%	\$4.80	\$4.60	\$4.40	\$4.38	Q1 2021	2.00	0.40
	Relative TSR	60%	P25	P50	P75	P61	Q1 2021	1.44	0.86
<b>2020 PSU Multiplier:</b>									<b>1.46</b>
2021	Production	20%	83,800	86,800	89,900	93,700	Q1 2022	2.00	0.40
	NEOC (\$/bbl)	20%	\$5.11	\$4.89	\$4.68	\$4.26	Q1 2022	2.00	0.40
	Relative TSR	60%	P25	P50	P75	P59	Q1 2022	1.36	0.82
<b>2021 PSU Multiplier:</b>									<b>1.62</b>

**Notes:**

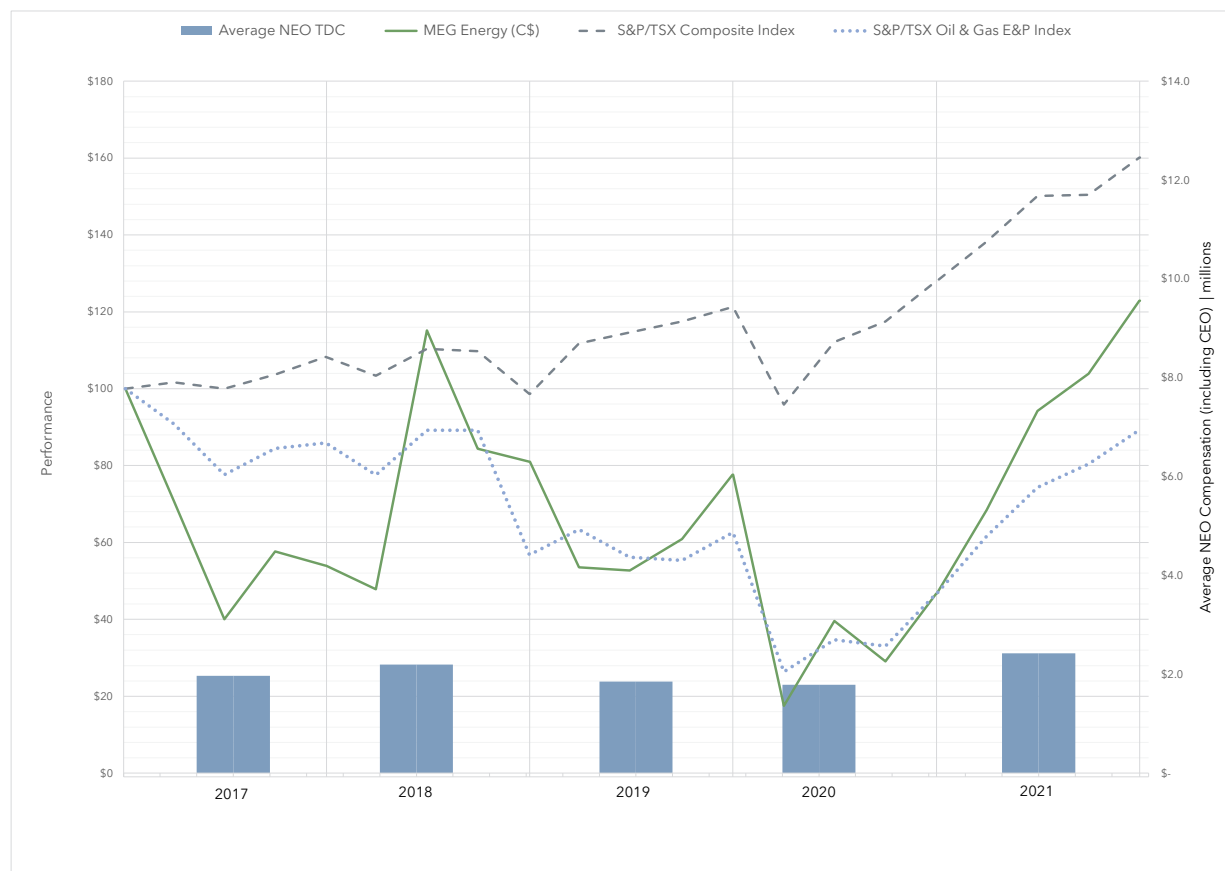
- (1) The target ranges for production, NEOC and G&A align with guidance ranges publicly disclosed by the Corporation.
- (2) In evaluating TSR results for 2019, the Board considered the period from January 17, 2019, the date the Husky Energy Inc. bid was withdrawn, to December 31, 2019.
- (3) NEOC is a supplementary financial measure. See "Advisories - Non-GAAP Financial Measures" for further details.

The Corporation's production level of 93,700 barrels per day in 2021 exceeded the maximum range resulting in a multiplier of 2.00 for the first PSU performance measure. Average NEOC of \$4.26 per barrel for 2021 outperformed the range of guidance resulting in a multiplier of 2.00 for the second PSU measure. The Corporation's relative TSR performance for 2021 also outperformed its peers and was at the 59<sup>th</sup> percentile level resulting in a multiplier of 1.36 for the third PSU measure. Applying weightings (20%, 20%, 60%) resulted in an overall PSU multiplier of 1.62 in respect of the 2021 performance year.

The Board approved the 2021 PSU multiplier of 1.62 on the advice of the HCCC.

## 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, 2017 and ending December 31, 2021, 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. The graph also shows average TDC for the NEOs for each of the last five years. TDC is the amount shown in the "Total Compensation" column of the "Summary Compensation Table", excluding the amounts shown in the "All Other Compensation" column.



	MEG (TSX) (\$)	TSX Oil & Gas E&P Index (\$)	S&P/TSX Composite Index (\$)
January 3, 2017	100.00	100.00	100.00
December 31, 2017	53.99	85.88	108.28
December 31, 2018	80.99	56.87	98.66
December 31, 2019	77.63	62.52	121.23
December 31, 2020	46.74	46.72	128.01
December 31, 2021	122.9	89.28	160.13
Five-Year Return	22.9%	(10.7%)	60.1%
Compounded Annual Return	4.21%	(2.24%)	9.87%

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 significantly outperformed the Energy Index as set out in the graph. Over the same five-year period, the trend of NEO compensation remained relatively flat, reflecting the decision of the Board to freeze base salaries of the Corporation's executives for five of the past six years, other than salary increases associated with an increase in responsibilities.

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 2021 (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, 2021, are as follows:

Name	Position
Derek W. Evans	President and Chief Executive Officer ("CEO")
Eric L. Toews	Chief Financial Officer ("CFO")
Darlene M. Gates	Chief Operating Officer ("COO")
Chi-Tak Yee	Chief Technology Officer ("CTO")
Lyle S. Yuzdepski	Senior Vice President, Legal & General Counsel and Corporate Secretary

### Summary Compensation Table - NEOs

The following table sets out the compensation paid by the Corporation to the NEOs during the years ended December 31, 2019, December 31, 2020 and December 31, 2021.

Total NEO compensation for 2021 of \$12.7 million, as a percentage of 2021 revenue of \$4.3 billion, based on the Corporation's audited annual financial statements, is 0.3%.

Name and Principal Position	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)(3)</sup> (\$)	Option-Based Awards <sup>(3)(4)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)		All Other Compensation <sup>(5)(8)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans		
Derek W. Evans President & CEO	2021	600,000	2,700,009	-	1,008,000	-	94,966	4,402,975
	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
Eric L. Toews CFO	2021	421,252	1,263,760	-	420,199	-	72,425	2,177,636
	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
Darlene M. Gates <sup>(6)</sup> COO	2021	133,636	1,610,000	-	418,950	-	322,208	2,484,794
	2020	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-
Chi-Tak Yee CTO	2021	424,145	1,272,445	-	423,085	-	69,575	2,189,250
	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
Lyle S. Yuzdepski <sup>(7)</sup> SVP, Legal & General Counsel	2021	320,000	800,001	-	314,400	-	57,928	1,492,329
	2020	288,732	512,003	-	235,568	-	53,356	1,089,659
	2019	-	-	-	-	-	-	-

#### 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 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) 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
2021	n/a	n/a	n/a	n/a	n/a
2020	n/a	n/a	n/a	n/a	n/a
2019	\$2.6126	\$4.57	68.60%	1,825 days	1.335%

- (5) 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. Savings plan contributions for NEOs amounted to 12% of salary. The 2021 savings plan benefit values were as follows: Mr. Evans \$72,000, Mr. Toews \$50,550, Ms. Gates \$16,036, Mr. Yee \$50,898 and Mr. Yuzdepski \$38,400. In addition, Ms. Gates received a one-time signing bonus consisting of two payments: (i) \$300,000 payable in the calendar month of September 2021 and (ii) \$100,000 payable in the calendar month of September 2022, which bonus is subject to clawback in the event that Ms. Gates resigns (other than for critical illness or long term-disability) or is terminated for cause within the first twenty-four months of employment.
- (6) Ms. Gates was appointed as the Corporation's COO on September 7, 2021 and, accordingly, her 2021 compensation represents payment for approximately four months of the year. Ms. Gates' share-based awards for 2021 include a one-time award of RSUs with a fair value on the grant date of approximately \$350,000 as a signing bonus.
- (7) 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.
- (8) 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 future 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) and corporate performance measures in respect of PSUs 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 2017 to 2021. 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.

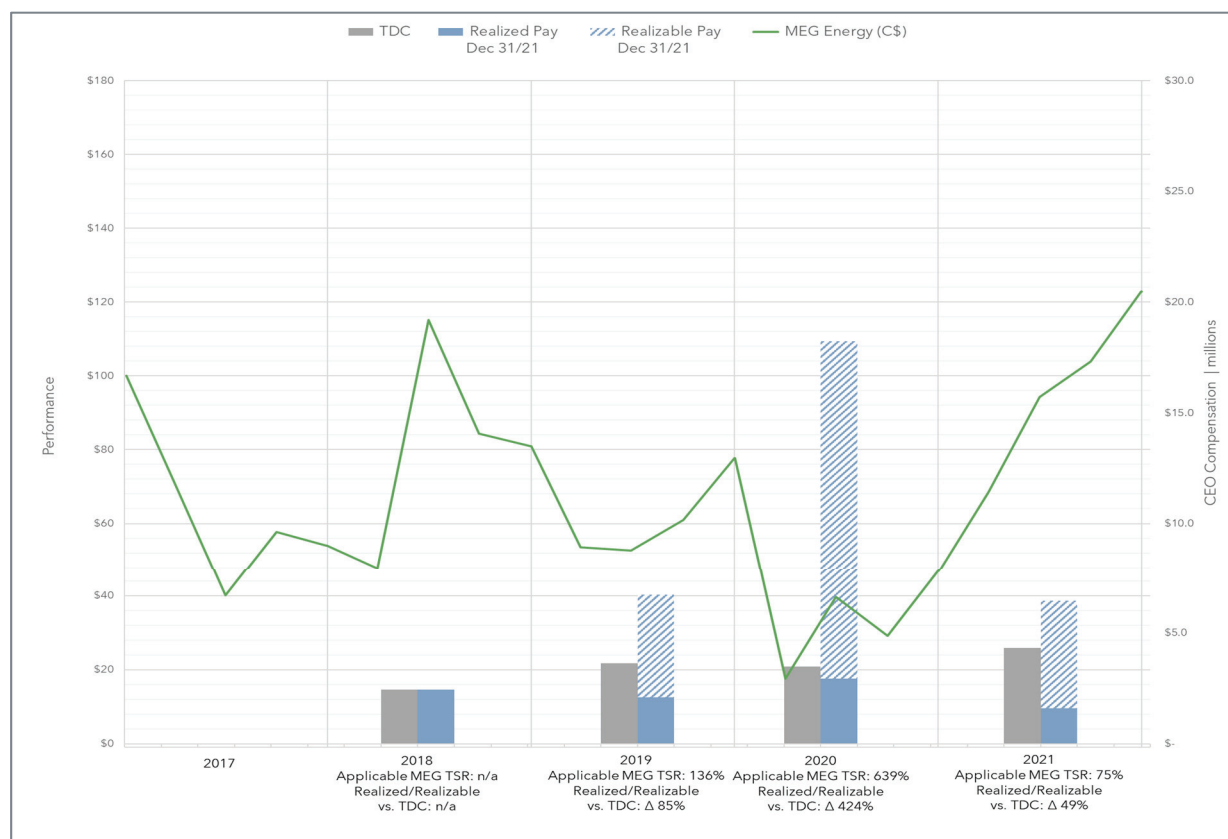
**"Realized Pay"** means the sum of (1) base salary, (2) actual annual STI received by the CEO or NEOs, as applicable, and (3) the amount of vested RSUs, PSUs and DSUs valued on the day of vesting plus the gain on exercise of Options had they been exercised on the day of vest (calculated using the one-day volume weighted average price of the Shares on the TSX on the vest date). Options are valued on the date of vest to illustrate the change in value over the applicable vesting period and to remove the impact of individual exercise decisions.

**"Realizable Pay"** means the sum of unvested RSUs, unvested PSUs and unvested in-the-money Options granted during the measurement period, in each case calculated using the price of the Shares at December 31, 2021. 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.

**"Applicable MEG 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) the final vest date applicable to such LTI award (generally three years from the date of grant), and (b) December 31, 2021 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 gain or loss in the CEO’s Realizable Pay and Realized Pay in each calendar year relative to 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 current CEO in such calendar year (Mr. Evans was appointed in 2018):



### 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 MEG TSR has been calculated for each LTI calendar year as follows:

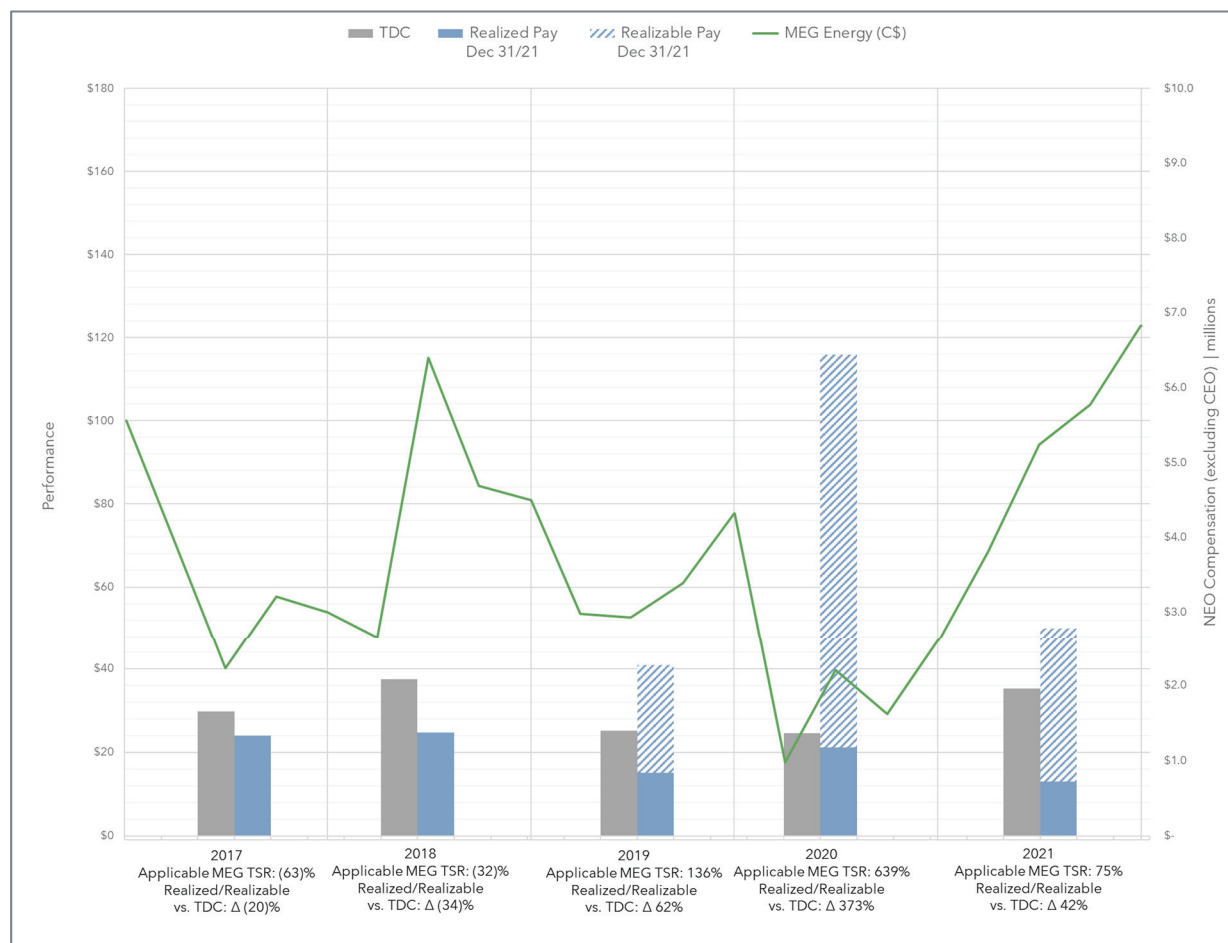
Compensation Year	Grant Date <sup>(i)</sup>	Grant Date Share Price <sup>(ii)</sup>	Period End Date <sup>(iii)</sup>	Period End Share Price <sup>(ii)</sup>	Applicable MEG TSR	Relative TSR (Percentile) <sup>(iv)</sup>
2018	May 17, 2019	\$5.22	May 17, 2019	n/a	n/a	P100
2019	June 14, 2019	\$4.91	December 31, 2021	\$11.61	136%	P96
2020	April 1, 2020	\$1.57	December 31, 2021	\$11.61	639%	P61
2021	April 1, 2021	\$6.62	December 31, 2021	\$11.61	75%	P59

- 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.
- The volume weighted average price of the Shares on the Grant Date or Period End Date, as applicable.
- Period End Date for LTI 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, 2021 where such LTI award has not yet vested.
- 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 gain or loss in the average compensation of the Corporation’s NEOs (excluding CEO) relative to 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) Applicable MEG TSR has been calculated for each period as follows:

Compensation Year	Grant Date <sup>(i)</sup>	Grant Date Share Price <sup>(ii)</sup>	Period End Date <sup>(iii)</sup>	Period End Share Price <sup>(ii)</sup>	Applicable MEG TSR	Relative TSR (Percentile) <sup>(iv)</sup>
2017	June 15, 2017	\$4.19	April 1, 2020	\$1.57	(63)%	P61
2018	June 14, 2018	\$9.72	April 1, 2021	\$6.62	(32)%	P100
2019	June 14, 2019	\$4.91	December 31, 2021	\$11.61	136%	P96
2020	April 1, 2020	\$1.57	December 31, 2021	\$11.61	639%	P61
2021	April 1, 2021	\$6.62	December 31, 2021	\$11.61	75%	P59

- Grant Date is the date on which NEOs received annual LTI awards in the applicable calendar year.
- The volume weighted average price of the Shares on the Grant Date or Period End Date, as applicable.
- 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, 2021 where such LTI award has not yet vested.
- 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, 2021.

	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 <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not Vested <sup>(2)</sup> (#)	Market or Payout Value of Share-based Awards that have not Vested <sup>(3)</sup> (\$)	Market or Payout Value of Vested Share-based Awards not Paid out or Distributed <sup>(3)(4)</sup> (\$)
Derek W. Evans President & CEO	153,100	4.57	June 14, 2026	1,091,603	RSUs: 734,358 PSUs: 1,365,727	RSUs: 8,591,989 PSUs: 15,979,006	DSUs: 3,857,151
<b>Total</b>	<b>153,100</b>	<b>-</b>	<b>-</b>	<b>1,091,603</b>	<b>2,100,085</b>	<b>24,570,995</b>	<b>3,857,151</b>
Eric L. Toews CFO	92,400	18.65	June 11, 2022	-	RSUs: 346,283 PSUs: 658,100	RSUs: 4,051,511 PSUs: 7,699,770	-
	86,500	6.52	June 29, 2023	448,070			
	107,900	4.53	June 15, 2024	773,643			
	49,300	9.63	June 14, 2025	102,051			
	136,482	8.24	August 27, 2025	472,228			
	80,700	4.57	June 14, 2026	575,391			
<b>Total</b>	<b>553,282</b>	<b>-</b>	<b>-</b>	<b>2,371,383</b>	<b>1,004,383</b>	<b>11,751,281</b>	<b>-</b>
Darlene M. Gates COO	-	-	-	-	RSUs: 119,952 PSUs: 77,112	RSUs: 1,403,438 PSUs: 902,210	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>197,064</b>	<b>2,305,649</b>	<b>-</b>
Chi-Tak Yee CTO	92,100	18.65	June 11, 2022	-	RSUs: 348,662 PSUs: 662,620	RSUs: 4,079,345 PSUs: 7,752,654	-
	84,900	6.52	June 29, 2023	439,782			
	61,300	9.63	June 14, 2025	126,891			
	136,482	8.24	August 27, 2025	472,228			
	68,200	4.57	June 14, 2026	486,266			
<b>Total</b>	<b>442,982</b>	<b>-</b>	<b>-</b>	<b>1,525,167</b>	<b>1,011,282</b>	<b>11,831,999</b>	<b>-</b>
Lyle S. Yuzdepski SVP, Legal & General Counsel and Corporate Secretary	-	-	-	-	RSUs: 175,986 PSUs: 259,601	RSUs: 2,059,036 PSUs: 3,037,332	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>435,587</b>	<b>5,096,368</b>	<b>-</b>

### Notes:

- (1) The closing price of the Shares on December 31, 2021 was \$11.70 per Share.
- (2) Includes RSUs and PSUs granted under the RSU Plans. 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 approved 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, 2021 closing price of the Shares on the TSX (\$11.70).
- (4) Mr. Evans was granted 329,671 DSUs on May 17, 2019 under the DSU Plan in satisfaction of his 2018 LTI Target.

## 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, 2021 and non-equity incentive plan compensation earned by such NEOs during the year ended December 31, 2021.

	Value Vested During Year		
	Option-Based Awards (\$) <sup>(1)</sup>	Share-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(3)</sup>
Derek W. Evans, President & CEO	104,618	1,894,449	984,000
Eric L. Toews, Chief Financial Officer	55,145	1,777,804	420,199
Darlene M. Gates, Chief Operating Officer <sup>(4)</sup>	-	-	418,950
Chi-Tak Yee, Chief Technology Officer	55,487	1,997,405	423,085

	Value Vested During Year		
	Option-Based Awards (\$) <sup>(1)</sup>	Share-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(3)</sup>
Lyle S. Yuzdepski, SVP, Legal & General Counsel and Corporate Secretary	-	380,194	314,400

**Notes:**

- (1) Represents the value the NEO would have realized for Options that vested in 2021 if the Options had been exercised on the applicable vesting date, notwithstanding that such Options may not have actually been exercised by the NEO on the vesting date. The value vested during the year for Options has been calculated by determining the difference between the trading price of the Shares on the TSX (one day volume weighted average price) and the exercise price of the vested Options on the applicable vesting date.
- (2) The value of Share-Based Awards vested during the year is the payout value on the vesting date for the final 1/3 of the RSUs granted in 2018, the second 1/3 of RSUs granted in 2019, the first 1/3 of RSU granted in 2020 and all the PSUs granted in 2018 (calculated using the relevant performance factor).
- (3) Cash bonuses for 2021, which were paid in 2022.
- (4) Ms. Gates was appointed as the Corporation's COO on September 7, 2021 and, accordingly, did not have any LTI vest during the year.

## Options Exercised During the Year

The following table sets forth information in respect of the value of Options exercised by the NEOs of the Corporation during the year ended December 31, 2021. The gain on exercise is the difference between the exercise price of the Option and the share price at the time of exercise multiplied by the number of Options exercised.

	Options Exercised (#)	Gain on Exercise (\$)
Derek W. Evans, President & CEO	-	-
Eric L. Toews, Chief Financial Officer	-	-
Darlene M. Gates, Chief Operating Officer	-	-
Chi-Tak Yee, Chief Technology Officer	118,900	363,498
Lyle S. Yuzdepski, SVP, Legal & General Counsel and Corporate Secretary	-	-

## Executive Share Ownership Guidelines

The Corporation's executive share ownership guidelines were revised in 2021 to remove unvested PSUs from the calculation of total share ownership. The revised guidelines provide that each executive is to own and maintain Shares, DSUs and unvested RSUs equal in value to the following amount:

Participant	Ownership Level
CEO	5x base salary
CFO, COO, CTO 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 and RSUs 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; 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. No value is ascribed to options and PSUs in defining qualifying holdings (per the Board approved change respecting PSUs as of year-end 2021).

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 as at December 31, 2021, unless otherwise noted.

	Share Ownership Guideline	As at December 31, 2021		Complies with Guidelines
		Total Value of Equity Investment <sup>(1)</sup> (\$)	Current Ownership (Multiple of Base Salary)	
Derek W. Evans, President & CEO	5x base salary	18,267,035	30.4x	Yes
Eric L. Toews, Chief Financial Officer	3x base salary	7,229,138	17.2x	Yes
Darlene M. Gates, Chief Operating Officer	3x base salary	1,403,438	3.3x	Yes
Chi-Tak Yee, Chief Technology Officer	3x base salary	5,904,861	13.9x	Yes
Lyle S. Yuzdepski, SVP, Legal & General Counsel and Corporate Secretary	3x base salary	2,395,938	7.5x	Yes

**Note:**

(1) "Total Value of Equity Investment" is calculated using the closing price of the Shares on the TSX on December 31, 2021 of \$11.70.

## 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 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 and a full copy of the plan text is attached as Appendix C.

#### *Number of Options Outstanding*

As of December 31, 2021, a total of 2,494,610 Options held under the Option Plan remained outstanding (representing approximately 0.81% of the outstanding Shares). During 2021, 663,078 Options expired unexercised, 604,302 Options were cancelled or forfeited and 914,104 Options were exercised. 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.

#### *Number of DSUs Outstanding*

As of December 31, 2021, a total of 1,172,653 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 given the cash-settled features of DSUs.

## 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 may also 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 and a full copy of the plan text of the treasury-settled RSU Plan is attached as Appendix D.

### Number of Treasury-Settled RSUs Outstanding

As of December 31, 2021, a total of 6,597,894 treasury-settled RSUs were outstanding under the treasury-settled RSU Plan (being equal to approximately 2.15% of the outstanding Shares). Of the 6,597,894 treasury-settled RSUs outstanding, 5,877,135 were granted as RSUs and 720,759 were granted as PSUs (including adjustments for the relevant performance factor for PSUs that have become eligible to vest). See "Securities Authorized for Issuance Under Security-Based Compensation Plans" below.

### Number of Cash-Settled RSUs Outstanding

As of December 31, 2021, a total of 6,744,752 cash-settled RSUs were outstanding under the Cash-Settled RSU Plan. Of the 6,744,752 cash-settled RSUs outstanding, 3,165,749 were granted as RSUs and 3,579,003 were granted as PSUs (including adjustments for the relevant performance factor for PSUs that have become eligible to vest).

In order to limit dilution to Shareholders, a significant portion of the 2020 LTI grants was made under the Corporation's Cash-Settled RSU Plan as opposed to the treasury-settled RSU 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

### Number of Options Granted During 2021

No options were granted in 2020 or 2021.

### Number of DSUs Granted During 2021

A total of 174,353 DSUs were granted during the year ended December 31, 2021. All of the DSUs granted in 2021 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 2021 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.

### Number of Treasury-Settled RSUs Granted During 2021

A total of 3,378,254 treasury-settled RSUs (representing approximately 1.10% of the Shares outstanding as of December 31, 2021) were issued during the year ended December 31, 2021. Of those, 3,320,664 were granted as RSUs and PSUs (2,599,905 were granted as RSUs and 720,759 were granted as PSUs) and 57,590 RSUs were issued as adjustments for the relevant performance factor for previously granted PSUs that became eligible to vest. All of the RSUs granted in 2021 are scheduled to vest at a rate of one-third on each of April 1, 2022, April 1, 2023 and April 1, 2024, and all of the PSUs granted in 2024 are scheduled to cliff vest on April 1, 2024 subject to the satisfaction of the applicable performance criteria.

### Number of Cash-Settled RSUs Granted During 2021

No RSUs or PSUs were granted under the Corporation's Cash-Settled RSU Plan during the year ended December 31, 2021, and 445,983 RSUs were issued as adjustments for the relevant performance factor for previously granted PSUs that became eligible to vest.

## Amendments During the Year

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 the equity burn rate for each of 2019, 2020 and 2021 and the maximum potential share dilution for the Shares as at December 31, 2021.

### Equity Burn Rate

2019		Awards	WACSO <sup>(1)</sup>	Burn Rate
Option Plan		682,911	298,513,365	0.23%
Treasury-Settled RSU Plan	RSUs	3,163,892		1.06%
	PSUs <sup>(2)</sup>	-		0.00%
Total (RSUs+PSUs)		3,163,892		1.06%
2020		Awards	WACSO <sup>(1)</sup>	Burn Rate
Option Plan		-	302,351,779	-
Treasury-Settled RSU Plan	RSUs	4,535,336		1.50%
	PSUs <sup>(2)</sup>	-		0.00%
Total (RSUs+PSUs)		4,535,336		1.50%
2021		Awards	WACSO <sup>(1)</sup>	Burn Rate
Option Plan		-	305,904,653	-
Treasury-Settled RSU Plan	RSUs	2,599,905		0.85%
	PSUs <sup>(2)</sup>	720,759		0.24%
Total (RSUs+PSUs)		3,320,664		1.09%

#### 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, 2021 Maximum Potential Share Dilution

	Plan Maximum <sup>(1)</sup>	CSO <sup>(2)</sup>	Outstanding Securities Awarded		Remaining Securities Available for Grant	
			Awards	% of CSO <sup>(3)</sup>	Awards <sup>(4)</sup>	% of CSO
Option Plan	5.0%	306,865,100	2,494,610	0.81%	6,250,751	2.04%
Treasury-Settled RSU Plan			6,597,894	2.15%		

#### 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, 2021.
- (3) Awards expressed as a percentage of CSO.
- (4) A maximum of 2.04% 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, COO and CTO 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, 2021.

## 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, 2021, 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 <sup>(1)</sup> (\$)	Total (\$)
Derek W. Evans	Termination Without Cause <sup>(2)(3)</sup>	3,376,000	-	3,376,000
	Termination With Cause <sup>(4)(5)</sup>	-	3,857,151	3,857,151
	Change of Control	3,376,000	29,519,748	32,895,748
	Retirement/Resignation <sup>(6)</sup>	-	-	-
Eric L. Toews	Termination Without Cause <sup>(2)(7)</sup>	(Note 7)	-	(Note 7)
	Termination With Cause <sup>(4)</sup>	-	-	-
	Change of Control	1,878,349	14,122,664	16,001,012
	Retirement/Resignation <sup>(6)(8)</sup>	-	13,806,724	13,806,724
Darlene M. Gates	Termination Without Cause <sup>(2)(3)</sup>	1,598,800	-	1,598,800
	Termination With Cause <sup>(4)</sup>	-	-	-
	Change of Control	1,598,800	2,305,649	3,904,449
	Retirement/Resignation <sup>(6)</sup>	-	-	-
Chi-Tak Yee	Termination Without Cause <sup>(2)(7)</sup>	(Note 7)	-	(Note 7)
	Termination With Cause <sup>(4)</sup>	-	-	-
	Change of Control	1,891,058	13,357,166	15,248,224
	Retirement/Resignation <sup>(6)(9)</sup>	-	13,039,055	13,039,055
Lyle S. Yuzdepski	Termination Without Cause <sup>(2)(3)</sup>	918,600	-	918,600
	Termination With Cause <sup>(4)</sup>	-	-	-
	Change of Control	918,600	5,096,368	6,014,968
	Retirement/Resignation <sup>(6)</sup>	-	-	-

### 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, 2021 of \$11.70, 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, 2021 of \$11.70.
- (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, COO 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, 2021 of \$11.70.
- (6) Represents voluntary retirement or voluntary resignation of the NEO. For Messrs. Toews and Yee, the amounts under the column "Long-Term Incentives" represents the value of long-term incentives as at December 31, 2021 since both individuals are eligible to participate in the Corporation's Employee Retirement Policy. See "Termination and Change of Control Benefit - Employee Retirement Policy".
- (7) The Corporation has not entered into written employment agreements, other than change of control agreements, with the CFO and CTO 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) In connection with Mr. Toews' pending retirement, which was announced publicly on March 16, 2022, the Corporation and Mr. Toews entered into a retirement agreement which provides, among other things, that (a) Mr. Toews will receive a pro-rated bonus for 2022 for the period from January 1, 2022 to the date of retirement, and (b) in circumstances where Mr. Toews' retirement date is extended due to a Change of Control transaction and such Change of Control transaction is completed, Mr. Toews will be entitled to receive the Retiring Allowance payable under change of control agreement between the Corporation and Mr. Toews and the Corporation has agreed to amend certain Option-based awards and Share-based awards to accelerate vesting on the extended retirement date, subject to any required regulatory approvals.
- (9) Mr. Yee transitioned to the role of Chief Technology Officer in 2021 and, as part of this transition, the existing employment agreement with Mr. Yee 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 and all unvested LTI will continue to vest in the normal course.

## 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, 2021. As of December 31, 2021, there were 306,865,100 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	2,494,610	\$11.70	6,250,751 <sup>(2)(3)</sup>
Treasury-Settled RSU Plan <sup>(1)</sup>	6,597,894	n/a	
Equity Compensation Plans Not Approved by Shareholders			
None	-	n/a	n/a
<b>Total</b>	<b>9,092,504</b>	<b>\$11.70</b>	<b>6,250,751<sup>(4)</sup></b>

**Notes:**

- (1) Includes RSUs and PSUs issued under the treasury-settled RSU Plan.
- (2) As of December 31, 2021, 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, 2021, 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 306,865,100 issued and outstanding Shares as at December 31, 2021.

# 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 (8 out of 9) 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, annual assessment by senior management, 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](http://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 2021, the strategic planning session focused on the Corporation's short-, medium- and long-term development plans, debt repayment outlook and capital allocation strategy. The strategic session also focused on the Corporation's technology development plans and decarbonization efforts; the Corporation's human resources priorities, including leadership assessment and development and succession planning; and the Corporation's strategic risks and risk mitigation strategies. 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 2021, the Board received regular management updates on the ongoing COVID-19 pandemic and the Corporation's response to the pandemic and monitored the impact of COVID-19 on the Corporation, including employee and contractor safety, business continuity, as well as supply chain and inflationary pressures, at regularly scheduled Board and Board committee meetings 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.

### *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. In July 2021 the Corporation obtained CyberSecure Canada certification, providing independent verification of the implementation of security controls developed by the Canadian Centre for Cyber Security. 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 in the past three years. The Corporation does not presently carry a specific information security risk insurance policy.

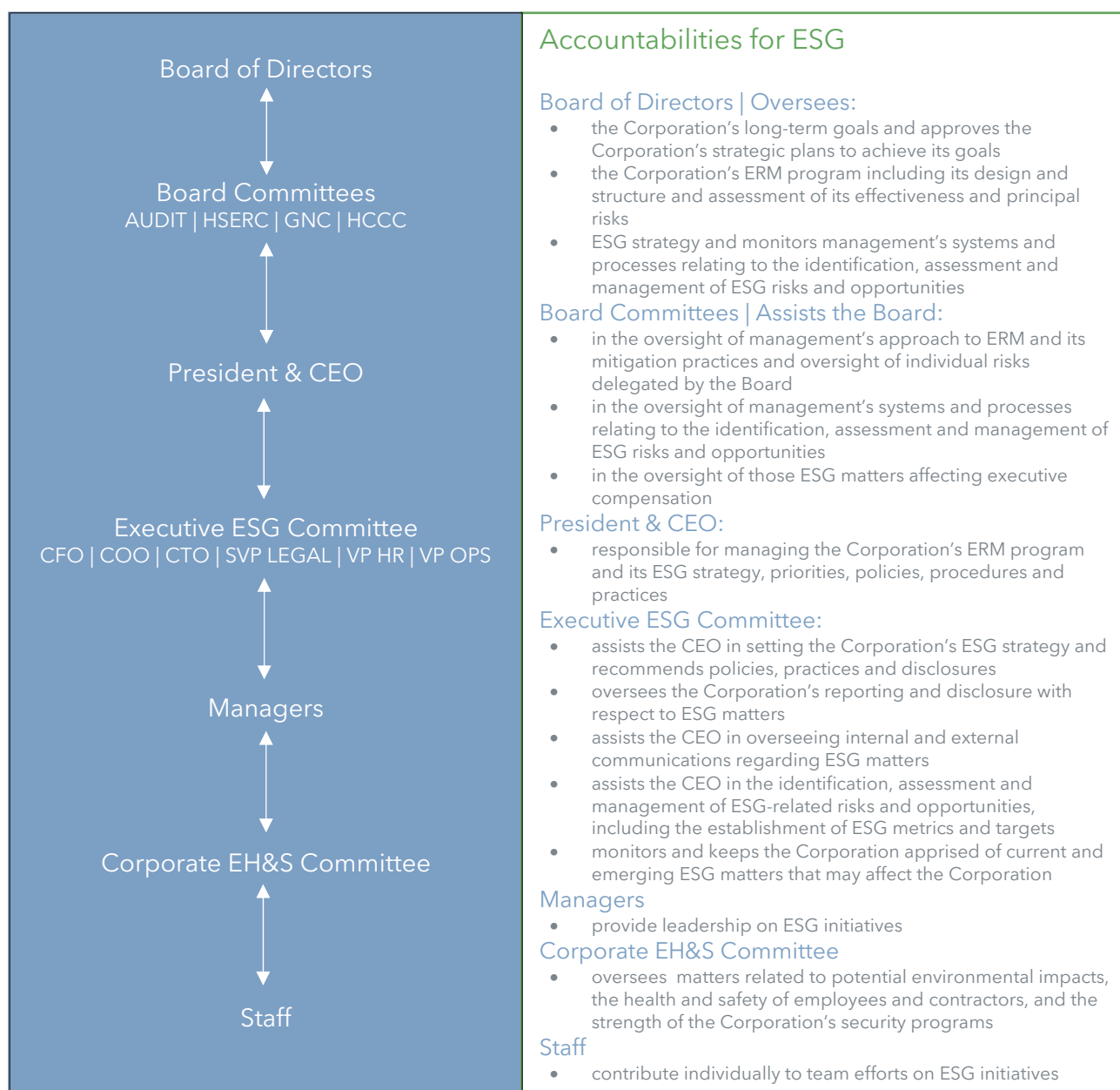
## Environmental, Social and Governance Matters

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. The Board also incorporates ESG measures in its executive compensation program to align progress on ESG goals and objectives and executive compensation. 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. 100% of the Corporation's Board members have ESG skills and expertise.

The Corporation has 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 CEO is also supported by the Corporation's Corporate Environment, Health and Safety Committee, which consists of senior, interdisciplinary subject matter experts from across the Corporation, and oversees matters related to potential environmental impacts, the health and safety of the Corporation's employees and contractors, and the Corporation's security programs.

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 GHG emissions (Scope 1 and Scope 2).





The Corporation continued to advance its ESG strategy in 2021 by building on 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 with the introduction of a mid-term target of 30% reduction in bitumen GHG emissions intensity (scope 1 and scope 2) from 2013 levels by 2030. The mid-term target received full approval and support by the Board.

The Corporation published its second ESG Report in the third quarter of 2021 in an effort to provide consistent, relevant information that is useful to Shareholders and to provide greater transparency on ESG and climate-related risks. The report is aligned with guidance from the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). The ESG report also references the Global Reporting Initiative ("GRI") and the United Nations Sustainable Development Goals ("SDGs"). The ESG Report is available in the "Sustainability" section of the Corporation's website at [www.megenergy.com](http://www.megenergy.com).

The Corporation, along with five other oil sands operators that collectively operate approximately 95% of Canada's oil sands production, formed the Oilsands Pathways to Net Zero ("Pathways") Alliance working collectively with the federal and Alberta governments to achieve net zero GHG emissions from oil sands operations by 2050. The Pathways Alliance proposes to reduce oil sands production emissions in three phases: Phase 1 (2021-2030), Phase 2 (2031-2040) and Phase 3 (2041-2050). In Phase 1, Pathways will focus on building out a CO<sub>2</sub> capture network in the oil sands producing region of northern Alberta. A key aspect of this network is a proposed CO<sub>2</sub> transportation line to gather CO<sub>2</sub> from more than 20 oil sands facilities and move it to a proposed

hub in the Cold Lake area of Alberta for storage. The CO<sub>2</sub> transportation line would also be available to other industries in the region interested in capturing and storing CO<sub>2</sub>. The Pathways Alliance is currently developing detailed project plans for Phase 1, including conducting feasibility studies for the transportation line and storage hub as well as pre-engineering work for capturing carbon at multiple oil sands facilities.

In October 2021, the Corporation launched its Indigenous Awareness Training for all employees, contractors and directors in an effort to evolve our understanding of Indigenous history and culture in Canada and to highlight some of the communities and traditional lands in which the Corporation operates.

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 through 2021, 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 2021, the Corporation received a CDP Water Score of B, which score is above the global and North American oil and gas average of B-.

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 (35% or more in each of 2020, 2021 and 2022) of the Corporation's Corporate Performance Scorecard which impacts both executive and employee compensation. See "Components of Executive Compensation - 2021 Corporate Performance Scorecard" and "Components of Executive Compensation - 2022 Corporate Performance Scorecard".

In 2022, the Corporation's strategic ESG initiatives include:

- 🌱 Advancing the Corporation's decarbonization plans;
- 🌱 Enhance the Corporation succession and development culture and programs; and
- 🌱 Develop inclusion and diversity strategies to improve the Corporation's talent diversity.

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](http://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:



The Corporation utilizes an enterprise employee performance management (EPM) process and 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 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.

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.

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.

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 Persons	% of Other Diverse Individuals
Internal Director <sup>(1)</sup>	2	17%	-	0%
Executive <sup>(2)</sup>	1	11%	1	11%
Board of Directors <sup>(3)(4)</sup>	3	33%	-	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, CFO, COO, CTO, Senior Vice President and Vice Presidents.
- (3) Member of the Board of Directors.
- (4) Based on the nine director nominees standing for election at the Meeting.

In addition to the I&D Policy, the Corporate Performance Scorecard for 2022 includes, as part of its ESG targets, the establishment of baseline measurements of direct and indirect employment of diverse talent and the development of a strategy to improve talent diversity within the organization.

As of the date of the Circular, zero of ten (zero percent) of the Board members, zero of nine (zero percent) of the director nominees and zero of nine (zero percent) of the executives of the Corporation self-identify as Indigenous peoples; zero of ten (zero percent) of the Board members, zero of nine (zero percent) of the director nominees and one of nine (11.1%) of the executives of the Corporation self-identify as members of visible minorities; and zero of ten (zero percent) of the Board members, zero of nine (zero percent) of the director nominees and zero of eight (zero percent) of the executives of the Corporation self-identify as persons with disabilities.

In 2021, in furtherance of its I&D Policy objectives, the Board has retained a search firm specialized in the recruitment of Diverse Persons to identify Diverse Persons (other than gender diversity) as potential director nominees.

## 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 <sup>(1)</sup>	Ex-officio	Ex-officio	Ex-officio	Ex-officio
Derek W. Evans <sup>(2)</sup>				
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 2021.
- (2) Mr. Evans attends all standing committee meetings in his capacity as CEO and attended 100% of the committee meetings held in 2021.

### Committee Memberships Post-Meeting

Immediately following the meeting, and subject to all director nominees being successfully elected as directors of the Corporation, the members of the standing committees shall be as follows:

Director	Standing Committees			
	Audit Committee	HCCC	GNC	HSERC
Grant D. Billing	✓		✓	
Ian D. Bruce <sup>(1)</sup>	Ex-officio	Ex-officio	Ex-officio	Ex-officio
Derek W. Evans <sup>(2)</sup>				
Robert B. Hodgins	Chair		✓	
Kim Lynch Proctor	✓	✓		
Susan M. MacKenzie	✓			Chair
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.
- (2) Mr. Evans attends all standing committee meetings in his capacity as CEO.

### 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 current Audit Committee and the post-Meeting Audit Committee is an independent director and is "financially literate" as such term is defined in National Instrument 52-110 *Audit Committees*. Additionally, each member of the post-Meeting Audit Committee is considered by the Board to be a "financial expert" based on such member's education, professional accounting designation and experience as a principal financial officer, principal accounting officer, controller, or experience in one or more positions that involve the performance of similar functions.

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, 2021 filed on SEDAR at [www.sedar.com](http://www.sedar.com) and available on our website at [www.megenergy.com](http://www.megenergy.com).

The Audit Committee Charter is available on our website at [www.megenergy.com](http://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](http://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](http://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](http://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 Chair of the Board, Mr. Bruce, is independent and the Board is currently comprised of ten (10) directors, nine (9) of whom are independent. Following the Meeting, and if all director nominees are elected to the Board, Mr. Bruce will continue as Chair of the Board and the Board will be comprised of nine (9) directors, eight (8) of whom will be 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 Chair 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 2021.



## Other Public Company Board Memberships

The table below sets out the other publicly traded issuers for which the Corporation's current directors and/or director nominees serve as directors as at the date hereof.

Directors and Director Nominees	Directorships
Grant D. Billing	Badger Infrastructure Solutions Ltd. SECURE Energy Services Inc.
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
Kim Lynch Proctor	Alaris Equity Partners Income Trust Paramount Resources Ltd.
Susan M. MacKenzie	Enerplus Corporation Freehold Royalties Ltd. <sup>(1)</sup> Precision Drilling Corporation
Jeffrey J. McCaig	Michichi Capital Corp.
James D. McFarland	Valeura Energy Inc.
Diana J. McQueen	Total Helium Ltd.

### Note:

(1) Ms. MacKenzie will retire from the Board of Freehold Royalties Ltd. at its annual meeting to be held on May 10, 2022.

## 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 compensation & human resources committee, Ms. MacKenzie as Chair and Mr. Hodgins as a member. The Board has determined that this interlock does 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 2021 is set out below.

Director	Board Meetings	Standing Committee Meetings				Total
		Audit Committee	HCCC	GNC	HSERC	
Grant D. Billing	8/8	4/4		4/4		100%
Ian D. Bruce	8/8	4/4 <sup>(1)</sup>	5/5 <sup>(1)</sup>	4/4 <sup>(1)</sup>	4/4 <sup>(1)</sup>	100%
Derek W. Evans	8/8	4/4 <sup>(2)</sup>	5/5 <sup>(2)</sup>	4/4 <sup>(2)</sup>	4/4 <sup>(2)</sup>	100%
Judy A. Fairburn	8/8			4/4	4/4	100%
Robert B. Hodgins	8/8	4/4 (Chair)		4/4		100%
William R. Klesse	8/8				4/4 (Chair)	100%
Susan M. MacKenzie	8/8		5/5		4/4	100%
Jeffrey J. McCaig	8/8		5/5		4/4	100%
James D. McFarland	8/8	4/4	5/5 (Chair)			100%
Diana J. McQueen	8/8		5/5	4/4 (Chair)		100%

### Notes:

- (1) As Chair of the Board, Mr. Bruce attends all committee meetings in an *ex-officio* capacity and attended 100% of the committee meetings held in 2021.
- (2) 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 2021. At each such meeting, the members of the committee, all of whom are independent, also met *in-camera* without Mr. Evans.
- (3) 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. Prior to making its recommendations to the Board regarding Board composition and nominees, the GNC assesses how those skills and experience requirements are satisfied by the nominees.

In 2021, in keeping with the priorities of the Corporation and as digitization continues to grow as a business imperative, the Board amended the skills matrix to include a category for digital skills and experience.

The following table summarizes information from the GNC's most recent review which was used to develop the recommendations for 2021 and includes the skills and expertise of the proposed nominees for election as directors.

Legend									
<ul style="list-style-type: none"> <li>● Expert in the field as a consequence of specific training and extensive experience as practitioner, a resource for senior management in this subject area</li> <li>● Very broad knowledge of subject area through training and/or direct work experience, or supervision of function, able to analyze and ask probing questions</li> <li>○ Basic understanding of subject area through previous training/exposure</li> </ul>									
Skill	G.D. Billing	I.D. Bruce	D.W. Evans	R.B. Hodgins	K. Lynch Proctor	S.M. MacKenzie	J.J. McCaig	J.D. McFarland	D.J. McQueen
<b>Financial Knowledge</b>									
Ability to read and interpret financial statements/notes	●	●	●	●	●	●	●	●	●
Experience in investment banking, mergers & acquisitions	●	●	●	●	●	●	●	●	●
<b>Oil and Gas Operations Experience</b>									
In-situ operations	○	●	●	●	○	●	●	●	●
Large project development	●	●	●	●	○	●	●	●	●
Health, Safety and Environmental	●	●	●	●	●	●	●	●	●
Reserves Reporting	●	●	●	●	●	●	●	●	●
Regulatory	●	○	●	●	●	●	○	●	●
<b>Oil and Gas Marketing Experience</b>									
Marketing of Oil or Gas	●	●	●	●	○	●	○	●	●
Midstream/Transportation Sector	●	●	●	●	○	○	●	●	○
Refining Sector	○	●	●	○	○	●	●	●	●
<b>Business Experience</b>									
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	○	●	●	○	●	●	●	●	●
<b>Corporate Governance Experience</b>									
Other Boards of Directors	●	●	●	●	●	●	●	●	●
Current Canadian Corporate Governance	●	●	●	●	●	●	●	●	●
Securities Law, Regulatory Regime for Public Companies	●	●	●	●	●	●	●	●	●
Environmental, Social & Governance (ESG)	●	●	●	●	●	●	●	●	●
<b>Other</b>									
Digital Skills	●	●	○	●	●	●	●	●	●

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 Chair 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 2021:

- **Cybersecurity Update** – Analysis of Recent Ransomware Attacks (July 2021) – presented by MEG to the members of the Audit Committee (Hodgins, Billing, McFarland) and guest directors (Bruce, Evans, MacKenzie, McCaig and McQueen)
- **Capital Markets Perspectives** (September 2021) – presented by BMO to all members of the Board
- **Indigenous Awareness Training** (October 2021) – presented by MEG to all members of the Board
- **Capital Markets Perspectives** (November 2021) – presented by BMO to all members of the Board
- 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
- An operational site visit to our Christina Lake facility was organized for all directors in September 2021, however, due to the ongoing COVID-19 pandemic, the tour was unfortunately postponed until further notice.

In addition to internal sessions hosted by MEG, 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 E.

All of our directors are members of the Institute of Corporate Directors (ICD), with Mr. Evans, Ms. Lynch Proctor, Ms. MacKenzie and Ms. McQueen each holding the 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 Chair 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. In 2021, an assessment of the Board and committees by senior management of the Corporation was added to the annual Board assessment process.

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"*.

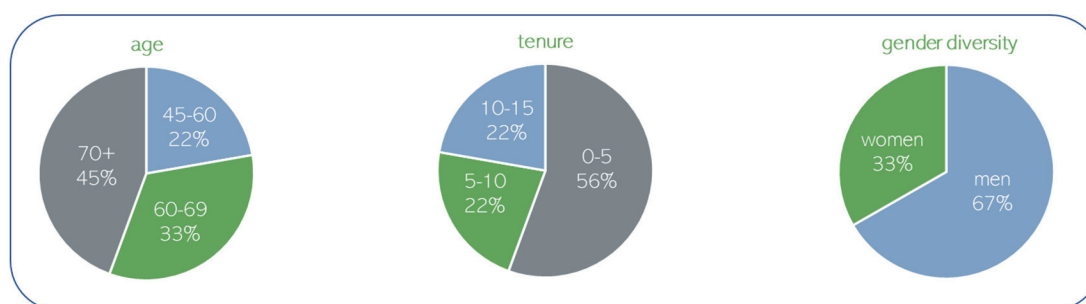
The GNC also conducts an annual skills matrix survey to ensure the Board possesses the requisite experience, expertise and business and operational insight for the effective stewardship of the Corporation. See *"Skills Assessment and Nomination"*.

The Board does not impose mandatory retirement age requirements and term limits on directors and believes that these restrictions 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.

The Board has experienced significant turnover during the past few years. Five of the nine nominees for election at the Meeting, each of whom bring valuable skills and experience to the Company and the Board, if elected, will have joined the Board since 2018. 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  
**65 years**  
Average tenure of Director Nominees  
**5.4 years**

	Age			Tenure (years of service)		
	45-60	61-69	70+	0-5	5-10	10-15
Grant D. Billing			✓	✓		
Ian D. Bruce		✓		✓		
Derek W. Evans		✓		✓		
Robert B. Hodgins			✓			✓
Kim Lynch Proctor	✓			✓		
Susan M. MacKenzie		✓		✓		
Jeffrey J. McCaig			✓		✓	
James D. McFarland			✓			✓
Diana J. McQueen	✓				✓	
<b>Total</b>	<b>2 (22%)</b>	<b>3 (33%)</b>	<b>4 (45%)</b>	<b>5 (56%)</b>	<b>2 (22%)</b>	<b>2 (22%)</b>



## 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](http://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](http://www.megenergy.com) under "About Us" - "Governance". The BCC is also available on SEDAR at [www.sedar.com](http://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](http://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](http://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](http://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](http://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](http://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 email 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, email at [invest@megenergy.com](mailto:invest@megenergy.com) or by telephone at 403.767.0515.

The Corporation's Shareholder Engagement Policy is available on the Corporation's website at [www.megenergy.com](http://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 2021 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, 2021, indebted to the Corporation, or whose indebtedness to another entity is, or at any time since January 1, 2021 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, 2021 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](http://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](http://www.megenergy.com) under "Investors", "Financial Information" and on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact our Investor Relations department any time by email at [invest@megenergy.com](mailto:invest@megenergy.com) or by telephone at 403.767.0515 to request a copy of the Corporation's financial statements and MD&A for the financial year ended December 31, 2021.



## Advisories

### Non-GAAP Financial Measures and Other Financial Measures

Certain financial measures in this Circular are non-GAAP financial measures or ratios supplementary financial measures and capital management measures. These measures are not defined by IFRS and, therefore, may not be comparable to similar measure provided by other companies. These non-GAAP and other financial measures should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS.

#### *Net Debt*

Net debt is a capital management measure and is defined in the Corporation's annual financial statements. Net debt is an important measure used by management to analyze leverage and liquidity. Net debt is calculated as long-term debt plus current portion of long-term debt less cash and cash equivalents. A reconciliation of current and long-term debt to net debt is available in section 16 "Non-GAAP and Other Financial Measures" in MEG's annual 2021 MD&A.

#### *Adjusted Funds Flow*

Adjusted funds flow is a capital management measure and is defined in the Corporation's annual financial statements. Adjusted funds flow is presented to assist management and investors in analyzing operating performance and cash flow generating ability. Funds flow from operating activities is an IFRS measure in the Corporation's consolidated statement of cash flow. Adjusted funds flow is calculated as funds flow from operating activities excluding items not considered part of ordinary continuing operating results. By excluding changes in non-recurring adjustments from cash flows, the adjusted funds flow measure provides a meaningful metric for management and investors by establishing a clear link between the Corporation's cash flows and the cash operating netback. A reconciliation of adjusted funds flow is available in section 16 "Non-GAAP and Other Financial Measures" in MEG's annual 2021 MD&A.

#### *Non-energy Operating Costs*

Non-energy operating costs is a supplementary financial measure as it represents a portion of operating expenses. Non-energy operating costs relate to production-related operating activities. Per barrel amounts are based on bitumen sales volumes.

#### *Net Debt to 12-Months EBITDA*

Net debt to 12-months EBITDA is a non-GAAP measure. Its terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. This non-GAAP financial measure should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS. It is presented as performance measures in the Corporate Performance Scorecard. Net debt is calculated as long-term debt less cash and cash equivalents and a reconciliation of net debt is available in section 16 "Non-GAAP and Other Financial Measures" in MEG's annual 2021 MD&A.. 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. A reconciliation from net earnings to EBITDA has been provided below:

	2020 (\$)	2021 (\$)
Net Earnings (loss)	(357)	283
Income tax expense (recovery)	(120)	83
Depletion and depreciation	410	450
Exploration expense	366	-
Stock-based compensation	15	33
Net finance expense	284	267
Gain on asset disposition	(6)	(4)
Unrealized risk management loss (gain)	(49)	(31)
Unrealized net loss (gain) on foreign exchange	(47)	(27)
EBITDA	496	1,054
Net Debt	2,798	2,401
Net debt to 12-Months EBITDA	5.6	2.3

#### *Enterprise Value*

Enterprise value is a non-GAAP measure. Its terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. This non-GAAP financial measure should not be considered in isolation or as an alternative for measures of performance prepared in accordance with IFRS. It is presented as a comparison to peers for the purposes of gathering an appropriate peer group for compensation benchmarking. Enterprise value is calculated as net debt (described above) plus market capitalization. Market capitalization is the Corporation's common share price multiplied by the number of outstanding shares.

## 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. In particular, and without limiting the foregoing, this press release contains forward looking statements with respect to: the Corporation’s 2022 strategy and focus; the focus and objectives of the Corporation’s compensation programs; the Corporation’s intention to direct 100% of free cash flow to debt repayment until the Corporation reaches its near-term debt target of US\$1.7 billion and thereafter to allocate approximately 25% of free cash flow to shareholder returns with the remaining cash flow applied to ongoing debt reduction; the Corporation’s intention to direct approximately 50% of free cash flow to shareholder returns and approximately 50% to continued debt reduction upon the Corporation reaching a debt target of US\$1.2 billion; the Corporation’s 2022 budget focus on sustaining stream day production capacity of approximately 100,000 barrels per day and annual production in the range of 94,000 to 97,000 barrels per day taking into account a planned major plant turnaround; the Corporation’s ESG priorities, including health, safety and environmental matters with a focus on “green hands” and safety culture and mental health, GHG reductions including the Corporation’s related technology development plans, human capital development, and inclusion and diversity; the Corporation’s expectations regarding its participation in the Oil Sands Pathways to Net Zero Alliance; the CEO’s 2022 objectives; and the Corporation’s 2022 corporate scorecard. 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](https://www.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, 2021. Information on or connected to the Corporation’s website [www.megenergy.com](http://www.megenergy.com) does not form part of this Circular.

## APPENDIX A

### 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 November 8, 2021.

## APPENDIX B

### 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 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. Any and all adjustments are subject to TSX approval.

#### *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 from 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 15<sup>th</sup> 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 10<sup>th</sup> business day after the expiry of the Blackout Period and (ii) December 15<sup>th</sup> of the third year following the Service Year (or December 15<sup>th</sup> 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 15<sup>th</sup> 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. Notwithstanding the foregoing, any adjustments shall be subject to the approval of the TSX. 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

### Stock Option Plan

This document sets out the terms and conditions of the Stock Option Plan (the "**Plan**") of MEG Energy Corp. (the "**Corporation**") dated as of June 9, 2010, as amended and restated through April 24, 2019.

#### Defined Terms

1. Where used herein, the following terms shall have the following meanings, respectively:

- (a) "**Administrator**" means, to the extent permitted by law and subject to regulatory approval, 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 this Plan;
- (b) "**Board**" means the board of directors of the Corporation;
- (c) "**Business Day**" means a day on which there is trading on the TSX (or, if the Shares are not then listed and posted for trading on the TSX, such other stock exchange on which the Shares are then listed and posted for trading), and if none, a day that is not a Saturday or Sunday or a national legal holiday in Canada;
- (d) "**Change of Control**" means:
  - (i) the acquisition hereafter, by whatever means (including, without limitation, by way of an arrangement, merger, amalgamation, take-over (on take-up of Shares thereunder) or otherwise), by a person (or two or more persons acting jointly or in concert), directly or indirectly, of the beneficial ownership of, or control or direction over, Shares or rights to acquire Shares, together with such person's then owned Shares and rights to acquire Shares, if any, representing more than fifty percent (50%) in aggregate of all issued and outstanding Shares (except where such acquisition is part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the reorganization);
  - (ii) the passing of a resolution by the Shareholders to substantially liquidate the assets or wind-up or significantly re-arrange the affairs of the Corporation in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such resolution relates to a liquidation, winding-up or re-arrangement as part of a bona fide re-organization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the reorganization);
  - (iii) the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation in circumstances where the affairs of the Corporation is continued, directly or indirectly, and where the shareholdings of the Corporation remain substantially the same following the sale as existed prior to the sale);
  - (iv) individuals who were proposed as nominees (but not including nominees under a shareholder proposal) to become directors of the Corporation immediately prior to a meeting of the Shareholders 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.
- (e) "**Competitor**" means any person or entity who directly or indirectly competes with any member of the Corporate Group and further includes any person or entity who otherwise owns any direct or indirect equity interest in any person or entity who competes with any member of the Corporate Group (other than as a result of ownership of less than 5% of the equity interests in a publicly-traded corporation or partnership);
- (f) "**Consultant**" means a person or company engaged by one or more of the entities comprising the Corporate Group to provide services for an initial, renewable or extended period intended to be twelve months or more;
- (g) "**Corporate Group**" means the Corporation and its Subsidiaries;
- (h) "**Expiry Date**" has the meaning given to such term in Section 9 of the Plan;
- (i) "**Insider**" has the meaning given to such term in the policies and notices of the TSX;
- (j) "**Leave of Absence**" means any period during which, pursuant to the prior written approval of the Corporation (including pursuant to a policy of the Corporation), the Service Provider is considered to be on an approved leave of absence but does not provide any services to his or her employer in the Corporate Group;

- (k) **"Market Price"** of a Share, on a particular date, means the volume weighted average trading price for the Shares on TSX (or, if the Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board) for the five (5) trading days on which the Shares traded immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be the fair market value of the Shares as determined by the Board in its discretion, acting reasonably and in good faith;
- (l) **"Performance Criteria"** means such corporate and/or personal performance criteria as may be determined by the Board in respect of the grant or vesting of Options to any Service Provider, which criteria may be applied to either the Corporation and its Subsidiaries as a whole or to the Corporation or a Subsidiary individually or in any combination, and measured either in total, incrementally or cumulatively over a calendar year or such other performance period as may be specified by the Board in its sole discretion, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group;
- (m) **"Retirement"** in respect of a Service Provider, has the meaning given to such term in the policies of the Corporation in effect from time to time;
- (n) **"Security-Based Compensation Arrangements"** has the meaning given to such term in the TSX Company Manual;
- (o) **"Service Provider"** means any of: (i) an officer or employee of one or more of the members of the Corporate Group or a Consultant; or (ii) a director of one or more of the members of the Corporate Group (solely in respect of any Options granted to such director prior to June 2, 2016);
- (p) **"Share"** means a common share in the capital of the Corporation and such other security as may be substituted for it as a result of amendments to the articles of the Corporation, arrangement, reorganization or otherwise, including any rights that form a part of the share or substituted security;
- (q) **"Shareholder"** means a holder of one or more Shares;
- (r) **"Subsidiary"**, in relation to the Corporation, means any body corporate, trust, partnership, joint venture, association or other entity of which more than 50% of the total voting power of shares or units, as applicable, of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by the Corporation;
- (s) **"Termination Date"** means, in respect of a Service Provider, the date that the Service Provider ceases to be any of: (i) 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 Service Provider's employment or consulting relationship with any one or more members of the Corporate Group; and (ii) in respect of any Options granted to a director of a member of the Corporate Group prior to June 2, 2016, the date the Service Provider ceases to be a director of a member of the Corporate Group. The Board will have sole discretion to determine whether a Service Provider has ceased to be a director, ceased active employment or ceased status as a Consultant and the effective date on which the Service Provider ceased to be a director, ceased active employment or ceased status as a Consultant. A Service Provider 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 an employee 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 Service Provider is on a Leave of Absence;
- (t) **"Termination for Cause"** means, unless otherwise defined in the applicable agreement evidencing the grant of an Option hereunder, any act or omission that would entitle the employer of the Service Provider to terminate the Service Provider's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law:
  - (i) any improper conduct by the Service Provider which is materially detrimental to the employer; or
  - (ii) the willful failure of the Service Provider to properly carry out his or her duties on behalf of the employer or to act in accordance with the reasonable direction of the employer; and
- (u) **"TSX"** means the Toronto Stock Exchange.

### Purpose of the Plan

2. The purpose of the Plan is to provide an effective long-term incentive for the Service Providers (except as provided in Section 5(d)) of the Corporate Group from time to time.

### Shares Subject to the Plan

3. The number of Shares reserved for issuance pursuant to the exercise of options granted under the Plan (the **"Options"**) shall, in the aggregate, equal five percent (5%) of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other Security-Based Compensation Arrangements of the Corporate Group. Any 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.

4. If any rights to acquire Shares granted 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 Shares to which such security relates shall be available for the purposes of the granting of Options under this Plan.

#### **Administration, Eligibility and Limitation of Issuances**

5. The Plan shall be administered by the Board or an Administrator, which shall, from time to time, at its sole discretion, subject to the Plan, determine the Service Providers who shall participate under the Plan, the number of Options to be granted to such Service Providers and the terms of vesting of such Options, provided, however, that:
  - (a) the aggregate number of Shares issuable to any one participant under the Plan and all other Security-Based Compensation Arrangements of the Corporate Group shall not exceed five percent (5%) of the issued and outstanding Shares;
  - (b) the aggregate number of Shares issuable to Insiders under the Plan and all other Security-Based Compensation Arrangements of the Corporate Group shall not exceed five percent (5%) of the issued and outstanding Shares;
  - (c) during any one-year period, the aggregate number of Shares issued to Insiders under the Plan and all other Security-Based Compensation Arrangements of the Corporate Group shall not exceed five percent (5%) of the issued and outstanding 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 pursuant to the Plan.

Collectively, the restrictions referred to in Sections 5(b), (c) and (d) are referred to as the **"Insider and Independent Director Participation Restrictions"**.

All actions taken and decisions made by the Board or any Administrator pursuant to this Plan shall be final, conclusive and binding on all parties concerned, including but not limited to, the Corporation and any holder of Options.

#### **Undisclosed Material Information**

6. Notwithstanding any other provision of the Plan, the Corporation shall not, subject to the policies of the TSX, grant any Option or set an Exercise Price (as hereinafter defined) during any period of time where management of the Corporate Group is aware of material information that has not been disclosed to the public.

#### **Grant Agreement**

7. Each grant of an Option to a Service Provider will be set forth in a grant agreement containing the applicable terms and conditions required in the Plan and such other terms and conditions, including, but not limited to, statutory withholdings, if applicable, not inconsistent with the Plan as the Corporation, in its sole discretion, may deem appropriate. Without limiting the generality of the foregoing, such other terms and conditions may include terms or conditions relating to:
  - (i) the market price of the Shares;
  - (ii) the return to holders of Shares, with or without reference to other comparable companies;
  - (iii) the financial performance or results of the Corporation or a Subsidiary;
  - (iv) the achievement of Performance Criteria or other performance criteria relating to the Corporation or a Subsidiary; and
  - (v) any other terms and conditions the Board may in its discretion determine with respect to vesting or the acceleration of vesting;

which shall be set out in the 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.

8. To the extent that any provision of a grant agreement conflicts with any provision of the Plan, the Plan shall govern and the grant agreement shall be deemed to be amended to be consistent with the Plan.

#### **Term**

9. Options granted under the Plan may be exercised during a period set out in the applicable grant agreement (the **"Exercise Period"**) not exceeding ten (10) years from the date of grant (the **"Grant Date"**), subject to such terms of vesting as the Corporation may determine, in accordance with the Plan. Subject to any of the other provisions of the Plan concerning a Termination Date, at the expiration of the Exercise Period (the **"Expiry Date"**), any Options which have not been exercised shall expire and become null and void.

### **Vesting of Options**

10. Options granted under the Plan may be exercised on the basis (including upon the satisfaction of any Performance Criteria) and schedule to be determined by the Corporation at the Grant Date and as set out in the applicable grant agreement.

### **Exercise Price**

11. Subject to adjustment pursuant to the terms of the Plan, the exercise price per Option granted hereunder (the "**Exercise Price**") shall not be lower than the Market Price of a Share on the Grant Date.

### **Method of Exercise**

12. Options granted hereunder shall be exercisable by the holder of the Option (a "**Holder**") either by:
  - (a) delivering written notice to the Corporation specifying the number of Options being exercised and the Exercise Price; or
  - (b) electronic exercise through the platform offered by Company's stock plan administrator;

in either case accompanied by payment in full by cash, certified cheque or money order of the Exercise Price, for the number of Options for which such exercise is made.

13. As soon as reasonably practicable after the Corporation receives the notice described in Section 12 hereof the Shares being the subject thereof shall be allotted and issued to the Holder from treasury as fully paid and non-assessable provided that the Corporation shall have, if applicable, then received from the Holder payment in full of the Exercise Price for the Shares to be purchased.

### **Restriction on Financial Assistance**

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

### **Early Termination of Options**

15. Subject to Sections 16 and 17, and to any express resolution passed by the Board, on a Service Provider's Termination Date, any Options granted to such Service Provider which have not vested on or prior to the Service Provider's Termination Date shall terminate and become null and void as of such date.
16. Subject to the terms of the applicable grant agreement, where a Service Provider's Termination Date occurs by reason of the death of the Service Provider, then all outstanding Options granted to such Holder shall vest and be immediately exercisable. Only the person or persons to whom the Holder's rights under the Options pass by the Holder's will or applicable law shall have the right 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 Option.
17. Where a Service Provider's Termination Date occurs as a result of the Service Provider's Retirement then all outstanding unvested Options granted to such Holder shall be governed by the policies of the Corporation in effect at the time of the Participant's Termination Date due to Retirement.
18. Where a Service Provider's Termination Date occurs by reason of the Service Provider's Termination for Cause, the Holder shall forfeit any and all rights to hold or exercise all Options and, for greater certainty, all Options held by such Holder shall be forfeited and rendered null and void.
19. Where a Service Provider's Termination Date occurs by reason of the Service Provider's voluntary resignation, then 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 sixty (60) days following the Service Provider's Termination Date; and (ii) the Expiry Date of the vested Options.
20. Where a Service Provider's Termination Date occurs for any reason other than the death, Retirement, Termination for Cause or voluntary resignation, then 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 one-hundred twenty (120) days following the Service Provider's Termination Date; and (ii) the Expiry Date of the vested Options.
21. Subject to Sections 16 and 17, if a Service Provider's Termination Date occurs, whether or not such termination is with or without notice, adequate notice or legal notice or is with or without legal or just cause, the Holder's rights shall be strictly limited to those provided for in this Plan, or as otherwise provided in the applicable grant agreement between the Holder and the Corporation. Unless otherwise specifically provided in writing, the Holder shall have no claim to or in respect of any Options which may have or would have vested had due notice of termination of employment been given nor shall the Holder have any entitlement to damages or other compensation or any claim for wrongful termination or dismissal in respect of any Options or loss of profit or opportunity which may have or would have vested or accrued to the Holder if such wrongful termination or dismissal had not occurred or if due notice of termination had been given. The Plan does not give any Holder that is a director the right to serve or continue to serve as a director of the Corporation, nor does it give any Holder that is an officer, employee or direct or indirect service provider or Consultant the right to be or to continue to be employed by or



provide services to the Corporate Group. This provision shall be without prejudice to the Holder's rights to seek compensation for lost employment income or lost employment benefits (other than those accruing under or in respect of the Plan or any Option) in the event of any alleged wrongful termination or dismissal.

22. Where a Holder is a corporation, the Holder will be deemed to have died if an individual employed by the Holder who is principally responsible for providing services to one or more of the members of the Corporate Group on behalf of the Holder dies.

#### **Subdivision, Consolidation, Reclassification and Other Corporate Events**

23. In the event: (a) of any change in the Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or (b) that any rights are granted to all or substantially all shareholders to purchase Shares at prices substantially below the Market Price of the Shares at the time; or (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the 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 Plan, to any Options and to any related agreements outstanding under the Plan, and make such amendments to any option agreements outstanding under the 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 and/or to provide for the Holders to receive and accept such other securities or property in lieu of 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 the 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 Plan to give effect thereto, as the Board may, in its sole discretion, consider appropriate in the circumstances.
24. The adjustments provided for in Section 23 are cumulative and shall apply to successive subdivisions, redivisions, changes, consolidations, reclassifications, capital reorganizations, consolidations, mergers, amalgamations, sales, distributions, issues or otherwise resulting in any adjustment under the provisions of Section 23.
25. Except in the case of a transaction that is, or if completed in accordance with its terms would result in, a Change of Control 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 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 Plan and the related option agreements with the same effect as though the Successor had been named as the Corporation in the Plan and the related option agreements, and thereafter the Corporation will be relieved of all obligations and covenants under the Plan and such related option agreements and the obligation of the Corporation to the Holders in respect of the Options shall terminate and the Holders shall cease to have any further rights in respect thereof.

#### **Change of Control**

26. In respect of any Options granted prior to June 13, 2019 only, notwithstanding any other provisions of the Plan 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 granted hereunder 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 date of such Service Provider's Options, each Holder thereof shall have the right to exercise part or all of the Options granted to him or her hereunder at any time up to and including (but not after) the earlier of: (i) the date which is ninety (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 the Options.
27. In respect of any Options granted on or after June 13, 2019 only, notwithstanding any other provisions of the Plan in the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, a Termination Date occurs in respect of a Service Provider as a result of involuntary termination, other than pursuant to Section 18, 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 part or all of the Options granted to him or her hereunder 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.
28. Notwithstanding any other provisions of the Plan, in the event of a Change of Control, and within one hundred and eighty (180) days immediately following a Change of Control, the Plan is terminated by the Corporation, all outstanding Options granted hereunder shall vest on the effective date of discontinuance of the Plan and be immediately exercisable and each Holder thereof shall have the right to exercise part or all of the Options granted to him or her hereunder 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.



29. 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 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 Shares to the take-over bid or voting such 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

30. In the event of:

- (a) the acquisition by any person or any group of persons acting jointly or in concert within the meaning of applicable laws (collectively, the "**offeror**"), directly or indirectly, of such number of Shares as entitle the offeror to acquire, pursuant to the compulsory acquisition provisions of the *Business Corporations Act* (Alberta) or such other governing legislation as may apply to the Corporation at the time, all remaining Shares not already acquired by the offeror, or
- (b) the receipt of all required shareholder, regulatory and court approvals, as applicable, for an amalgamation, arrangement, consolidation, merger or other business combination pursuant to which the offeror will, directly or indirectly, upon completion thereof, acquire all of the issued and outstanding Shares (disregarding any Shares not acquired due to the exercise of any right of dissent),

(either of such events being a "**take-over**"), the Corporation may, at its election, effective on the sending of notice to the Holder, terminate all outstanding Options of the Holder in consideration for, and the Holder's rights in respect of such terminated Options shall thereupon be strictly limited to, the issuance to the Holder of such number of whole Shares as is determined by multiplying the aggregate number of Shares theretofore purchasable, including upon the satisfaction of any Performance Criteria at such time, upon the exercise of all such outstanding Options (collectively, the "**underlying shares**") by a fraction, the numerator of which shall be the amount, if any, by which the aggregate purchase price that would have been payable by the offeror to the Holder for such underlying shares pursuant to the take-over (the "**aggregate take-over price**") exceeds the aggregate Exercise Price payable for all such underlying Shares upon the exercise of the Options, and the denominator of which shall be the aggregate take-over price. The Corporation shall cause such Shares to be issued to the Holder as fully paid and non-assessable shares of the Corporation.

Where the consideration paid or payable by the offeror for any Shares acquired or to be acquired under the take-over consists in whole or in part of securities, the aggregate take-over price shall be determined by valuing the securities comprising all or part of the consideration paid or payable by the offeror by reference to the volume weighted average trading price of such securities for the five trading days immediately preceding: (i) in the case of a take-over described in Section 30(a) above, the date of acquisition; or (ii) in the case of a take-over described in Section 30(b) above, the date of shareholder approval or, if shareholder approval is not required, the date of notice; provided, however, that if the securities are not traded on an exchange or other organized marketplace they shall be valued, for purposes of determining the aggregate take-over price, according to the value ascribed thereto under any agreement entered into by the Corporation in respect of the take-over.

### Rights of Holder

31. The granting of Options hereunder to any Service Provider shall not obligate such Service Provider to exercise such Options or any portion thereof. The holding of Options shall not entitle a Holder to any rights as a Shareholder.

### No Assignment of Options

32. Options granted under the Plan may not be transferred or assigned, other than for normal estate settlement purposes.
33. 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.

### Blackout Periods

34. If the Expiry Date for an Option occurs during a Blackout Period or within three Business Days after the expiry of a Blackout Period applicable to the relevant Holder, then the Expiry Date for that Option shall be the date that is the 10<sup>th</sup> Business Day after the expiry date of the Blackout Period (the "**Blackout Expiry Date**"). This Section applies to all Options outstanding under this Plan.
35. For purposes of Section 34 hereof, "**Blackout Period**" means the period of time during which the relevant Holder is prohibited from exercising an Option due to restrictions on the trading of the Corporation's securities imposed by the Corporation in accordance with its trading policies affecting trades by persons designated by the Corporation.

## Amendments and Discontinuance

36. The Plan and any issued Options may be amended, modified or terminated with the approval of the TSX as may be required pursuant to the policies of the TSX. The Board shall have the power and authority to discontinue the Plan, subject to Section 28, and to approve amendments to the Plan or to Options, without approval of the Shareholders, including, without limitation, for any of the following types of amendments:
- (a) amendments for the purpose of curing any ambiguity, error or omission in the Plan or Option or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
  - (b) amendments necessary to comply with applicable law or the requirements of any stock exchange on which the shares are listed;
  - (c) amendments to the Plan respecting administration of the Plan;
  - (d) amendments of a "housekeeping" nature;
  - (e) the addition of any form of financial assistance for Holders;
  - (f) changes to the terms and conditions on which Options may be or have been granted pursuant to the Plan, including a change to, or acceleration of, the vesting provisions of Options;
  - (g) amendments to the treatment of Options on ceasing to be a Service Provider; and
  - (h) a change to the termination provisions of Options or the Plan which does not entail an extension beyond the original expiry date.
37. Without limiting the generality of Section 36, Shareholder approval will be required, in accordance with the policies of the TSX, in order for the Corporation to:
- (a) increase the maximum number of Shares issuable pursuant to the Plan, as provided for in Section 3;
  - (b) reduce the exercise price of any Option or cancel an Option and subsequently issue the Holder of such Option a new Option in replacement thereof;
  - (c) extend the term of an Option;
  - (d) modify or amend the provisions of the Plan in any manner which would permit Options, including those previously granted, to be transferable or assignable, other than for normal estate settlement purposes;
  - (e) add to the categories of eligible Service Providers under the Plan;
  - (f) remove or amend the Insider and Independent Director Participation Restrictions;
  - (g) amend Sections 36, 37 or 38; and
  - (h) make any other amendment to the Plan where Shareholder approval is required by the TSX.
38. Subject to the foregoing and regulatory approval, as applicable, the Board may from time to time add to, delete from, alter or otherwise amend the provisions of the Plan or any Options granted thereunder as it sees fit or may at any time terminate the Plan, provided that:
- (a) no amendment may, without the written consent of the Holder, materially and adversely impair, alter or amend any Option previously granted to such Holder; and
  - (b) a termination of the Plan shall be subject to Section 28 and shall not derogate from the rights of Holders of Options granted prior to the date of such termination, unless otherwise consented to by such Holders.

## Regulatory Approvals

39. The Plan and any amendments thereto, including the number of Shares reserved for issuance hereunder, shall be subject to the approval of and conditions imposed by the TSX and any Options granted prior to such approval of the TSX shall be conditional upon such approval being given and no Options may be exercised prior to such approval or any other necessary regulatory approval. To the extent that any provision of the Plan or a grant agreement conflicts with any rules of the TSX, such rules shall govern and the Plan and/or the grant agreement shall be deemed to be amended to be consistent therewith.
40. The obligation of the Corporation to issue and deliver Shares on the exercise of the Options in accordance with the terms and conditions of the Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority and, the rules of the TSX and/or such other exchange or on exchanges on which the Shares are listed for trading. If Shares cannot be issued to the Holder upon the exercise of the Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any monies paid to the Corporation in connection with the exercise of the Option will be returned to the Holder as soon as practicable.

**Choice of Law**

41. The Plan is established under, and the provisions of the Plan shall be interpreted and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to conflict of laws principles.

**Miscellaneous**

42. Unless otherwise specified, time periods wherein or following which any act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken on a day which is not a Business Day, such action shall be taken on the immediately preceding Business Day.

## APPENDIX D

### Restricted Share Unit Plan

This document sets out the terms and conditions of the Restricted Share Unit Plan of MEG Energy Corp. effective as of June 9, 2010, as amended and restated through April 24, 2019.

#### ARTICLE 1 - DEFINED TERMS

1.1 Where used herein, the following terms shall have the following meanings, respectively:

- (a) "Account" means the account maintained by the Corporation for each Participant in connection with the operation of the Plan to which any Restricted Share Units in respect of a Participant will be credited under the Plan;
- (b) "Administrator" means, to the extent permitted by law and subject to regulatory approval, 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 this Plan;
- (c) "Applicable Withholding Taxes" has the meaning ascribed thereto in Section 12.2;
- (d) "Beneficiary" means an individual who, as of the date of the Participant's death, has been designated as the Participant's beneficiary in accordance with Section 8.2 and the laws applying to the Plan, or, where no one has been validly designated or the individual designated does not survive the Participant, the Participant's legal representative in accordance with applicable law;
- (e) "Board" means the board of directors of the Corporation;
- (f) "Business Day" means a day on which there is trading on the TSX (or, if the Shares are not then listed and posted for trading on the TSX, such other stock exchange on which the Shares are then listed and posted for trading), and if none, a day that is not a Saturday or Sunday or a national legal holiday in Canada;
- (g) "Change of Control" means:
  - (i) the acquisition hereafter, by whatever means (including, without limitation, by way of an arrangement, merger, amalgamation, take-over (on take-up of Shares thereunder) or otherwise), by a person (or two or more persons acting jointly or in concert), directly or indirectly, of the beneficial ownership of, or control or direction over, Shares or rights to acquire Shares, together with such person's then owned Shares and rights to acquire Shares, if any, representing more than fifty percent (50%) in aggregate of all issued and outstanding Shares (except where such acquisition is part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the reorganization);
  - (ii) the passing of a resolution by the Shareholders to substantially liquidate the assets or wind-up or significantly re-arrange the affairs of the Corporation in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such resolution relates to a liquidation, winding-up or re-arrangement as part of a bona fide re-organization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the reorganization);
  - (iii) the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation in circumstances where the affairs of the Corporation is continued, directly or indirectly, and where the shareholdings of the Corporation remain substantially the same following the sale as existed prior to the sale);
  - (iv) individuals who were proposed as nominees (but not including nominees under a shareholder proposal) to become directors of the Corporation immediately prior to a meeting of the Shareholders 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;
- (h) "Competitor" means any person or entity who directly or indirectly competes with any member of the Corporate Group and further includes any person or entity who otherwise owns any direct or indirect equity interest in any person or entity who competes with any member of the Corporate Group (other than as a result of ownership of less than 5% of the equity interests in a publicly-traded corporation or partnership);
- (i) "Consultant" means a person or company engaged by one or more of the entities comprising the Corporate Group to provide services for an initial, renewable or extended period intended to be twelve months or more;
- (j) "Corporate Group" means the Corporation and its Subsidiaries;
- (k) "Corporation" means MEG Energy Corp. and includes any corporate successors and assigns thereto, and any reference in the Plan to activities by the Corporation means action by, or under the authority of, the Board or the Administrator, as applicable;

- (l) "Designated Broker" has the meaning ascribed thereto in Section 5.3(b);
- (m) "Dividend Payment Date" means each date on which the Corporation pays cash dividends (or stock dividends in the ordinary course) on issued and outstanding Shares;
- (n) "Dividend Record Date" means the record date established in connection with a payment of a dividend by the Corporation on Shares to its shareholders for purposes of determining which shareholders are entitled to receive such dividend;
- (o) "Employer" means, in respect of a Participant who is an officer or employee, the member of the Corporate Group that employs the Participant (or that employed the Participant immediately prior to his Termination Date), in respect of a Participant who is a director, the member of the Corporate Group on whose board of directors such director sits and, in respect of a Participant who is a Consultant the member of the Corporate Group with which the Consultant has or had a written consulting agreement, and, in each case, the Employer may be the Corporation or a Subsidiary;
- (p) "Expiry Date" means with respect to any Restricted Share Unit, the date specified in the applicable Grant Agreement, if any, as the date on which the Restricted Share Unit will be terminated and cancelled or, if later or no such date is specified in the Grant Agreement, December 31 of the third (3rd) calendar year following the end of the applicable Service Year;
- (q) "Fair Market Value", of a Share, on a particular date, means the volume weighted average trading price for the Shares on TSX (or, if the Shares are not then listed and posted for trading on the TSX, on such stock exchange in Canada on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board) for the five (5) trading days on which the Shares traded immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange in Canada, the Fair Market Value shall be the market price of the Shares as determined by the Board in its discretion, acting reasonably and in good faith;
- (r) "Grant Agreement" means the agreement between the Corporation and a Participant under which a Restricted Share Unit is granted, together with such exhibits, amendments, deletions or changes thereto as are permitted under the Plan, such Grant Agreement to be substantially in the form attached to the Plan as Schedule "A", or such other form as may be prescribed by the Board;
- (s) "Grant Date" means the date upon which a Restricted Share Unit is credited to a Participant pursuant to the terms of the Plan or the applicable Grant Agreement;
- (t) "Insider" has the meaning given to such term in the policies and notices of the TSX;
- (u) "Leave of Absence" means any period during which, pursuant to the prior written approval of the Corporation (including pursuant to a policy of the Corporation) the Participant is considered to be on an approved leave of absence but does not provide any services to his or her Employer;
- (v) "Participant" means any of a director, an officer or an employee of a member of the Corporate Group, or a Consultant;
- (w) "Participant Information" has the meaning ascribed thereto in Section 10.4;
- (x) "Performance Criteria" means such corporate and/or personal performance criteria as may be determined by the Board in respect of the grant of Restricted Share Units to any Participant, which criteria may be applied to either the Corporation and its Subsidiaries as a whole or to the Corporation or a Subsidiary individually or in any combination, and measured either in total, incrementally or cumulatively over a calendar year or such other performance period as may be specified by the Board in its sole discretion, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group;
- (y) "Performance Share Unit" or "PSU" means a restricted share unit credited pursuant to Article 3, by means of an entry on the books of the Corporation, to a Participant, each of which represents, subject to adjustment pursuant to, and conditional on the satisfaction of, such Performance Criteria as have been referenced in the Grant Agreement, the right to receive a cash payment or its equivalent in fully-paid Shares equal to the Fair Market Value of a Share calculated at the time and in the manner set out in, and subject to the terms of, the Plan and any applicable Grant Agreement;
- (z) "Performance Year" means a calendar year during the term of a PSU award pursuant to a Grant Agreement, for which performance will be measured;
- (aa) "Plan" means this MEG Energy Corp. Restricted Share Unit Plan, as the same may be further amended or varied from time to time;
- (bb) "Restricted Share Unit" or "RSU" means a restricted share unit or a Performance Share Unit credited pursuant to Article 3, by means of an entry on the books of the Corporation, to a Participant, each of which represents the right to receive a cash payment or its equivalent in fully paid Shares equal to the Fair Market Value of a Share calculated at the time and in the manner set out in, and subject to the terms of, the Plan and any applicable Grant Agreement;
- (cc) "Retirement" in respect of a Participant, has the meaning given to such term in the policies of the Corporation in effect from time to time;

(dd) "RSU Payment Date" subject to Section 9.1, means, unless the Board or Administrator selects a different date (which date shall be within the same calendar year that a Restricted Share Unit has become a Vested Restricted Share Unit), the Vesting Date, which date shall not, in any event, extend beyond December 15th of the third year following the Service Year for any particular Restricted Share Unit;

(ee) "Security-Based Compensation Arrangements" has the meaning given to such term in the TSX Company Manual;

(ff) "Service Year" has the meaning ascribed thereto in Section 3.2;

(gg) "Share" means a common share in the capital of the Corporation and such other security as may be substituted for it as a result of amendments to the articles of the Corporation, arrangement, reorganization or otherwise, including any rights that form a part of the share or substituted security;

(hh) "Shareholder" means a holder of one or more Shares;

(ii) "Subsidiary", in relation to the Corporation, means any body corporate, trust, partnership, joint venture, association or other entity of which more than 50% of the total voting power of shares or units, as applicable, of ownership or beneficial interest entitled to vote in the election of directors (or members of a comparable governing body) is owned or controlled, directly or indirectly, by the Corporation;

(jj) "Tax Act" means the Income Tax Act (Canada) and the regulations thereto, as amended from time to time;

(kk) "Termination for Cause" means, unless otherwise defined in the applicable Grant Agreement, any act or omission that would entitle the Employer of the Participant to terminate the Participant's employment without notice or compensation under the common law for just cause, including, without in any way limiting its meaning under the common law:

(i) any improper conduct by the Participant which is materially detrimental to the Employer; or

(ii) the willful failure of the Participant to properly carry out his or her duties on behalf of the Employer or to act in accordance with the reasonable direction of the Employer;

(ll) "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;

(mm) "TSX" means the Toronto Stock Exchange;

(nn) "US Participant" means 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 income taxation, each of whom will be bound by the terms and conditions of the US Acknowledgment attached as Exhibit "B" to the Grant Agreement with respect to each award of Restricted Share Units;

(oo) "Vested Restricted Share Unit" means any Restricted Share Unit which has vested in accordance with the terms of the Plan and/or the terms of any applicable Grant Agreement; and

(pp) "Vesting Date" means, in respect of any Restricted Share Unit, the date that the Restricted Share Unit becomes a Vested Restricted Share Unit.

1.2 Words importing the singular number only shall include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders. References in this Plan to "the Plan", "hereto", "herein", "hereof", "hereby", "hereunder", and similar expressions shall be deemed, in the absence of express language to the contrary, to refer to this Plan and not to any particular article, section or portion hereof and include any and every agreement or other instrument supplemental or ancillary hereto or in implementation hereof (including but not limited to the various Grant Agreements).

1.3 The headings of the articles, sections and clauses are inserted herein for convenience of reference only and shall not affect the meaning of construction thereof.

1.4 Unless otherwise specified, time periods wherein or following which any payment (whether in cash or Shares) is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment (whether in cash or Shares) is required to be made on a day which is not a Business Day, such action shall be taken or such payment shall be made on the immediately preceding Business Day.

## ARTICLE 2 - PURPOSE OF THE PLAN

2.1 The purpose of the 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 holders of Shares, to associate a portion of 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, employees and Consultants for significant performance.

## ARTICLE 3 - GRANT OF RESTRICTED SHARE UNITS

3.1 The Corporation may from time to time grant Restricted Share Units to a Participant in such numbers, at such times and on such terms and conditions, consistent with the Plan, as the Board may in its sole discretion determine; provided, however, that no Restricted Share Units 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 Restricted Share Units granted to a Participant, which vesting conditions may be based on either or both of: (a) the Participant's continued employment with, work as a director of, or provision of consulting services to, 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 in accordance with Section 3.3, provided that no such vesting condition for a Restricted Share Unit granted to a Participant shall extend beyond December 15 of the third calendar year following the Service Year in respect of which the Restricted Share Units were granted and all vesting conditions for a Restricted Share Unit granted to a Participant shall be such that the Restricted Share Unit complies at all times with the exception in paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act.

3.2 For greater certainty, unless otherwise specified in the applicable Grant Agreement, the granting of Restricted Share Units to any Participant under the Plan which is awarded in May to December of a calendar year will be awarded as a bonus solely in respect of the services rendered by such Participant in the same calendar year. Where Restricted Share Units are awarded in January to April of a particular calendar year, such bonus will be awarded solely in respect of the services rendered by such Participant in the calendar year immediately preceding such award. The calendar year in respect of which the Restricted Share Units are granted is referred to herein as the "Service Year". In all cases, the Restricted Share Units shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages or consulting fees received by such Participant in respect of his services to one or more members of the Corporate Group, as applicable.

3.3 Subject to the terms of the Plan, the Board may determine other terms or conditions of any Restricted Share Units, 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 Shares;
- (b) the return to holders of 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 or other 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;

which shall be set out in the Grant Agreement. The conditions may relate to all or a portion of the Restricted Share Units in a Grant and may be graduated such that different percentages (which may be greater or lesser than 100%) of the Restricted Share Units 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 a Restricted Share Unit, waive any such term or condition or determine that it has been satisfied subject to applicable law, unless any such Restricted Share Units include Performance Criteria, in which case vesting shall be determined by an evaluation of the satisfaction of such Performance Criteria as at such time. For greater certainty, no term or condition imposed under a Grant Agreement may have the effect of causing settlement and payout of a Restricted Share Unit to occur after December 31 of the third calendar year following the Service Year in respect of which such Restricted Share Unit was granted.

3.4 At the sole discretion of the Board, and in accordance with this Section 3.4, the Board may elect to credit, as a bonus for services rendered in the calendar year containing the payment date for cash dividends paid on Shares (the "Dividend Payment Date"), the Account of each Participant with additional Restricted Share Units. In such case, the number of such additional Restricted Share Units to be credited to the Participant's Account will be calculated (to two decimal places) by dividing the total amount of the dividends that would have been paid to such Participant if the Restricted Share Units in the Participant's Account (including fractions thereof), as of the record date for payment of such dividends (the "Dividend Record Date") were Shares, by the Fair Market Value on the Dividend Payment Date. However, no Restricted Share Units will be credited to a Participant's Account in respect of dividends paid on Shares where the Dividend Record Date relating to such dividends falls after such Participant's Termination Date except where vesting of Restricted Share Units beyond a Participant's Termination Date is contemplated pursuant to Section 6.4 in which case such Participant's Account shall be credited in respect of dividends paid on 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 Restricted Share Units ceases. The proportion of Restricted Share Units credited to a Participant's Account



pursuant to this Section 3.4 relating to existing Vested Restricted Share Units shall, unless otherwise determined by the Board in its sole discretion, also be Vested Restricted Share Units. The proportion of Restricted Share Units credited to a Participant's Account pursuant to this Section 3.4 relating to existing Restricted Share Units that had not yet become Vested Restricted Share Units shall, unless otherwise determined by the Board in its sole discretion, vest in the same manner as the existing unvested Restricted Share Units.

3.5 No certificates shall be issued with respect to Restricted Share Units.

3.6 The Board shall keep or cause to be kept such records and accounts as may be necessary or appropriate in connection with the administration of the Plan and the discharge of its duties, which records shall, absent manifest error, be considered conclusively determinative of all information contained therein.

3.7 The Corporation shall maintain in its books an Account for each Participant recording at all times the number of Restricted Share Units standing to the credit of such Participant. Restricted Share Units that fail to vest to a Participant pursuant to the provisions of the Plan or an applicable Grant Agreement, or that are paid out to the Participant or his Beneficiary, shall be cancelled and shall cease to be recorded in the Participant's Account as of the date on which such Restricted Share Units are cancelled under the Plan or are paid out, as the case may be.

3.8 Notwithstanding any other provision of the Plan, if a Participant is resident or otherwise subject to taxation in a jurisdiction in which an award of Restricted Share Units may reasonably be considered to be income which is subject to taxation at the time of such award, the Participant may elect not to participate in the Plan by providing a written notice to the Senior Executive of the Human Resources group of the Corporation, provided that such election shall be irrevocable and further provided that any notification by a Participant under this Section 3.8 shall be delivered prior to the date any Restricted Share Units are credited to the Participant's Account under this Plan and, in any case, within 30 days of the date on which the Participant first becomes eligible to participate in this Plan.

3.9 If a Participant is a US Participant, the terms and conditions of the US Acknowledgment attached as Exhibit "B" to the Grant Agreement for such US Participant shall apply to such US Participant notwithstanding any other provision of the Plan or the relevant Grant Agreement.

3.10 Participation in the Plan by any Participant shall be construed as acceptance by the Participant of the terms and conditions of the Plan and all rules and procedures adopted hereunder and as amended from time to time.

#### **ARTICLE 4 - SHARES SUBJECT TO THE PLAN**

4.1 This Section 4.1 applies to any securities that may be acquired by Participants on or subsequent to any RSU Payment Date pursuant to Section 5.3(b) that consist(s) of authorized but unissued Shares. Subject to adjustment for any subdivision, consolidation or distribution of Shares as contemplated by, and in accordance with, Article 7:

(a) the number of Shares reserved for issuance from treasury pursuant to the Restricted Share Units credited under the Plan shall, in the aggregate, equal five percent (5%) of the number of Shares then issued and outstanding, less the number of Shares issuable pursuant to all other Security-Based Compensation Arrangements of the Corporate Group;

(b) the aggregate number of Shares issuable from treasury to any one Participant under the Plan and all other Security-Based Compensation Arrangements of the Corporate Group shall not exceed five percent (5%) of the issued and outstanding Shares;

(c) the aggregate number of Shares issuable from treasury to Insiders under the Plan and all other Security-Based Compensation Arrangements of the Corporate Group shall not exceed five percent (5%) of the issued and outstanding Shares;

(d) during any one-year period, the aggregate number of Shares issued from treasury to Insiders under the Plan and all other Security-Based Compensation Arrangements of the Corporate Group shall not exceed five percent (5%) of the issued and outstanding Shares;

(e) the aggregate number of Shares issuable from treasury under the Plan to directors of the Corporation who are not employees of the Corporation, together with 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 outstanding Shares; and

(ii) maximum annual grants having a value of \$100,000;

(f) this Section 4.1 and the Corporation's or any Employer's right to elect under Section 5.3(b) to satisfy RSUs by the issuance of Shares from treasury will be effective only upon receipt, from time to time, of all necessary approvals of the 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 Shares are listed or traded; and

(g) if any Restricted Share Unit granted under the Plan shall expire, terminate or be cancelled for any reason (including, without limitation, the satisfaction of the Restricted Share Unit by means of a cash payment) without being paid out or settled in the form of Shares issued from treasury, any unissued Shares to which such Restricted Share Units relate shall be available for the purposes of the granting of further Restricted Share Units under the Plan. If any rights to acquire Shares granted 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 Shares to which such security relates shall be available for the purposes of the granting of further Restricted Share Units under the Plan.

Collectively, the restrictions referred to in Sections 4.1 (c), (d) and (e) are referred to as the "Insider and Independent Director Participation Restrictions".

#### **ARTICLE 5 - VESTING AND PAYOUT OF RESTRICTED SHARE UNITS**

5.1 Except as otherwise provided herein, the number of Restricted Share Units subject to each grant, the Expiry Date of each Restricted Share Unit, the Vesting Dates with respect to each grant of Restricted Share Units and other terms and conditions relating to each such Restricted Share Unit shall be determined by the Board. The Board may, in its discretion, subsequent to the time of granting Restricted Share Units, permit the vesting of all or any portion of unvested Restricted Share Units then outstanding and granted to the Participant under this Plan, in which event all such unvested Restricted Share Units then outstanding and granted to the Participant shall be deemed to be immediately vested, unless any such Restricted Share Units include Performance Criteria, in which case vesting shall be determined by an evaluation of the satisfaction of such Performance Criteria as at such time.

5.2 Restricted Share Units granted hereunder shall, unless otherwise determined by the Board at the time of grant, or as specifically set out in the Grant Agreement, vest as to 1/3 on each of the first and second anniversaries of the Grant Date, and the remaining 1/3 shall 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 Restricted Share Units were granted.

5.3 (a) Subject to Sections 5.3(c) and 6.1, as soon as practicable after the applicable RSU Payment Date the Employer shall make to a Participant a cash payment equal to the product of the number of Vested Restricted Share Units recorded in the Participant's Account multiplied by the Fair Market Value applicable on the RSU Payment Date, less Applicable Withholding Taxes.

(b) Subject to Sections 5.3(c) and 6.1 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 Shares are listed or traded, the Employer may, in lieu of the cash payment contemplated in Section 5.3(a) above, 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 Employer (the "Designated Broker"), acquire on behalf of such Participant, the number of whole Shares that is equal to the number of whole Vested Restricted Share Units recorded in the Participant's Account on the RSU Payment Date (less any amounts in respect of Applicable Withholding Taxes). If the Employer elects to arrange for the purchase of Shares by a Designated Broker on behalf of the Participant, the Employer shall 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 Shares to which the Participant is entitled and the Designated Broker shall, as soon as practicable thereafter, purchase those Shares, on behalf of such Participant, on the TSX (or other stock exchange on which the Shares are listed or traded). If, after the Designated Broker purchases those Shares, an amount remains payable under the Plan in respect of the Participant, the Employer shall pay such amount in cash, net of Applicable Withholding Taxes, to the Participant or the Participant's Beneficiary as applicable.

(c) Notwithstanding any other provision of the Plan, all amounts payable to, or in respect of, a Participant under this Section 5.3, including, without limitation, the issuance or delivery of Shares or a lump sum cash payment, shall 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 Restricted Share Unit.

(d) Upon payment of any amount pursuant to this Section 5.3 in cash or Shares, as the case may be, the particular Restricted Share Units in respect of which such payment was made shall be cancelled and no further payments (whether in Shares or cash or otherwise) shall be made in relation to such Restricted Share Units.

#### **ARTICLE 6 - EARLY TERMINATION OF RESTRICTED SHARE UNITS AND CHANGE OF CONTROL**

6.1 Notwithstanding the provisions of Article 5 and subject to the remaining provisions of this Article 6 and to any express resolution passed by the Board, on a Participant's Termination Date, any Restricted Share Units granted to such Participant which have not become Vested Restricted Share Units on or prior to the Participant's Termination Date shall terminate and become null and void as of such date. For the avoidance of doubt, where an RSU Payment Date has been deferred pursuant to Article 9 such that a Participant's Termination Date occurs prior to the RSU Payment Date, Restricted Share Units that became Vested Restricted Share Units on or prior to such Termination Date, shall not be forfeit, other than pursuant to Section 6.5, and such Vested Restricted Share Units shall be paid out following such Termination Date in accordance with Article 9.

6.2 Where a Participant's Termination Date occurs for any reason other than those contemplated in Sections 6.3, 6.4 or 6.5, then such Participant shall have the right to be paid out in respect of his or her outstanding Vested Restricted Share Units in accordance with Section 5.3.

6.3 Where a Participant's Termination Date occurs by reason of the death of the Participant, then all outstanding Restricted Share Units granted to such Participant which are not Vested Restricted Share Units shall become Vested Restricted Share Units on the date of death and be paid out in accordance with this Plan and any applicable Grant Agreement. Only a Beneficiary of the Participant shall have the right to be paid out under this Section and in accordance with Section 5.3 at any time up to and including (but not after) the Expiry Date of the Restricted Share Unit.

Where this Section 6.3 becomes applicable in respect of a Participant that holds Performance Share Units, the number of Performance Share Units that will become Vested Restricted Share Units and will be paid out will be calculated using the multiplier that has already been determined by the Board in respect of any Performance Share Units that were eligible to vest prior to the date of death of the Participant and by using a multiplier of 1.0 in respect of any Performance Share Units that have not yet become eligible to vest as at the date of death of such Participant.

6.4 Where a Participant's Termination Date occurs as a result of the Participant's Retirement then all outstanding Restricted Share Units granted to such Participant which are not Vested Restricted Share Units shall, subject to Section 5.3(c), be governed by the policies of the Corporation in effect at the time of the Participant's Termination Date due to Retirement.

6.5 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 Restricted Share Units and, for greater certainty, all Restricted Share Units, whether they be Vested Restricted Share Units or not, held by such Participant shall be terminated and rendered null and void.

6.6 Subject to the other provisions of this Article 6, if a Participant's Termination Date occurs, whether or not such termination is with or without notice, adequate notice or legal notice or is with or without legal or just cause, the Participant's rights shall be strictly limited to those provided for in this Plan, or as otherwise provided in the applicable Grant Agreement. Unless otherwise specifically provided in writing, the Participant shall have no claim to or in respect of any Restricted Share Units which may have or would have become Vested Restricted Share Units had due notice of termination of employment been given nor shall the Participant have any entitlement to damages or other compensation or any claim for wrongful termination or dismissal in respect of any Restricted Share Units or loss of profit or opportunity which may have or would have vested or accrued to the Participant if such wrongful termination or dismissal had not occurred or if due notice of termination had been given. The Plan does not give any Participant that is a director the right to serve or continue to serve as a director of the Corporation, nor does it give any Participant that is an officer, employee or direct or indirect service provider or Consultant the right to be or to continue to be employed by or provide services to the Corporate Group. This provision shall be without prejudice to the Participant's rights to seek compensation for lost employment income or lost employment benefits (other than those accruing under or in respect of the Plan or any Restricted Share Unit) in the event of any alleged wrongful termination or dismissal.

6.7 Where a Participant is a corporation, the Participant will be deemed to have died if an individual employed by the Participant who is principally responsible for providing services to one or more of the members of the Corporate Group on behalf of the Participant dies.

6.8 In respect of Restricted Share Units granted prior to June 13, 2019 only, notwithstanding any other provisions of the Plan but subject to Section 5.3(c), Section 6.12 and, if applicable, Section 3.9, in the event of a Change of Control of the Corporation, or a determination by the Board that a Change of Control is expected to occur, all outstanding Restricted Share Units granted hereunder shall vest and, to the extent a Participant's Termination Date has not occurred before the Change of Control which results in an earlier expiration date of such Participant's Restricted Share Units, shall be paid out upon the occurrence of the Change of Control, which date shall be the RSU Payment Date.

Where this Section 6.8 applies in respect of a Participant that holds Performance Share Units, the number of Performance Share Units that will become Vested Restricted Share Units will be calculated and paid out effective as of the RSU Payment Date in accordance with the provisions of the relevant Grant Agreement.

6.9 In respect of Performance Share Units to which Section 6.10 or 6.11 apply, upon the occurrence of a Change of Control, the Board shall determine a multiplier for the Performance Year that is not yet complete at the time that the Change of Control occurs. Such multiplier shall be determined based on satisfaction of Performance Criteria as at the time that the Change of Control occurs.

6.10 In respect of Restricted Share Units granted on or after June 13, 2019 only, notwithstanding any other provisions of the Plan but subject to Section 5.3(c) and, if applicable Section 3.9, if, within one hundred and eighty (180) days immediately following a Change of Control, a Termination Date occurs in respect of a Participant as a result of involuntary termination, other than pursuant to Section 6.5, all outstanding Restricted Share Units granted to such terminated Participant shall vest and such Termination Date shall be the RSU Payment Date.

Where this Section 6.10 applies in respect of a Participant that holds Performance Share Units, the number of Performance Share Units that will become Vested Restricted Share Units and will be paid out effective as of such Participant's Termination Date, being the RSU Payment Date, will be calculated by applying the following multipliers to the Performance Share Unit awards:

- (i) any multiplier(s) that has(have) been determined and approved by the Board in respect of one or more Performance Years that is(are) complete at the time that a Change of Control occurs;
- (ii) the multiplier determined and approved by the Board in accordance with Section 6.9 in respect of a Performance Year that is not yet complete at the time that the Change of Control occurs; and
- (iii) a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i), if applicable, and (ii) above and applied for any Performance Year(s) that has(have) not begun as at the time that a Change of Control occurs;

provided however that where the Corporation is in a Blackout Period at the time of the Change of Control, the date of the Change of Control shall be considered an RSU Payment Date for the purposes of Section 9.1, and Section 9.1 shall apply to defer the calculation of any multiplier until the Corporation is no longer in a Blackout Period.

Where a Change of Control has occurred but this Section 6.10 does not apply in respect of a Participant that holds Performance Share Units, such Performance Share Units shall continue to vest and be paid out in accordance with the terms of the relevant Grant Agreement provided however that the multipliers determined in this Section 6.10 shall apply in respect of such Participant's Performance Share Unit awards.

6.11 Notwithstanding any other provisions of the Plan and subject to Section 5.3(c) and Section 6.12, in the event of a Change of Control of the Corporation, and within one hundred and eighty (180) days immediately following a Change of Control, the Plan is terminated by the Corporation, all outstanding Restricted Share Units granted hereunder shall vest and shall be paid out upon the discontinuance of the Plan which date shall be the RSU Payment Date.

Where this Section 6.11 becomes applicable in respect of a Participant that holds Performance Share Units, the number of Performance Share Units that will become Vested Restricted Share Units and will be paid out will be calculated by applying the following multipliers:

- (i) any multiplier(s) that has(have) been determined and approved by the Board in respect of one or more Performance Years that is(are) complete at the time that a Change of Control occurs;
- (ii) the multiplier determined and approved by the Board in accordance with Section 6.9 in respect of a Performance Year that is not yet complete at the time that the Change of Control occurs ; and
- (iii) a multiplier to be determined by calculating an average of the multipliers determined pursuant to (i), if applicable, and (ii) above and applied for any Performance Year(s) that has(have) not begun as at the time that a Change of Control occurs;

provided however that where the Corporation is in a Blackout Period at the time of the Change of Control, the date of the Change of Control shall be considered an RSU Payment Date for the purposes of Section 9.1, and Section 9.1 shall apply to defer the calculation of any multiplier until the Corporation is no longer in a Blackout Period.

6.12 In respect of Restricted Share Units 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 this Section 6.12, to payout Restricted Share Units 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 Restricted Share Units 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 resolution(s) pertaining to the transaction that would give rise to the Change of Control.

## **ARTICLE 7- AMENDMENT AND TERMINATION**

7.1 Subject to Section 6.12 and to this Article 7, the 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 Plan, or any Restricted Share Units granted hereunder, to cease to comply with paragraph (k) of the definition of "salary deferral arrangement" in subsection 248(1) of the Tax Act or any successor provision thereto. Upon termination of the Plan, subject to Section 6.11 or to a resolution of the Board to the contrary, all unvested Restricted Share Units shall remain outstanding and in effect and continue to vest and be paid out in accordance with the terms of the Plan existing at the time of its termination and the applicable Grant Agreement, provided that no further Restricted Share Units will be credited to the Account of any Participant. The Plan will terminate on the date upon which no further Restricted Share Units remain outstanding.

7.2 In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the 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 Shares), subject to TSX approval, the number of Shares subject to this Plan and the Restricted Share Units then outstanding under the Plan 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 Plan. Adjustments under this Section 7.2 shall, subject to TSX approval, 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 Restricted Share Units shall be rounded down.

7.3 Subject to the policies, rules and regulations of any lawful authority having jurisdiction over the Corporation (including any exchange on which the Shares are then listed and posted for trading), the Board may at any time, without further action by, or approval of, the holders of Shares, amend the Plan or any Restricted Share Unit granted under the Plan in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to:

- (a) ensure that Restricted Share Units granted under the Plan 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 a Restricted Share Unit has been granted may from time to time perform services or be resident;

- (b) cure any ambiguity, error or omission in the Plan or Restricted Share Unit or to correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan;
- (c) comply with applicable law or the requirements of any stock exchange on which the shares are listed;
- (d) amend the provisions of the Plan respecting administration or eligibility for participation under the Plan;
- (e) make amendments of a "housekeeping" nature;
- (f) change the terms and conditions on which Restricted Share Units may be or have been granted pursuant to the Plan, including a change to, or acceleration of, the vesting provisions of Restricted Share Units;
- (g) amend the treatment of Restricted Share Units on ceasing to be a Participant; and
- (h) change the termination provisions of Restricted Share Units or the Plan which does 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 Restricted Share Units theretofore granted.

7.4 Notwithstanding Section 7.3, approval of the holders of Shares will be required in order to:

- (a) increase the maximum number of Shares issuable pursuant to the Plan;
- (b) amend the determination of Fair Market Value under the Plan in respect of any Restricted Share Unit;
- (c) extend the Expiry Date of any Restricted Share Unit;
- (d) modify or amend the provisions of the Plan in any manner which would permit Restricted Share Units, 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 Plan;
- (f) remove or amend the Insider and Independent Director Participation Restrictions;
- (g) amend this Section 7.4; or
- (h) make any other amendment to the Plan where Shareholder approval is required by the TSX.

7.5 The existence of any Restricted Share Units 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 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.

7.6 Notwithstanding the provisions of this Article 7, should changes be required to the Plan by any securities commission, stock exchange or other governmental or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.

## **ARTICLE 8 - NO TRANSFER OR ASSIGNMENT OF PARTICIPANTS' RIGHTS**

8.1 Restricted Share Units granted under the Plan may not be transferred or assigned, other than for normal estate settlement purposes.

8.2 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 Plan upon the death of such 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.

## **ARTICLE 9- BLACKOUT PERIODS**

9.1 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 (the "Blackout Expiry Date") and (ii) December 15th of the third year following the Service Year for any particular Restricted Share Unit. Where the RSU Payment Date is deemed by this section 9.1 to be December 15th of the third year following the Service Year for any particular Restricted Share Unit, the provisions of this Plan are applicable notwithstanding Section 5.3(b) and provided that payment shall not occur pursuant to Section 5.3(b).

9.2 For purposes of Section 9.1 hereof, "Blackout Period" means the period of time during which the relevant Participant is prohibited from exercising or trading securities of the Corporation due to restrictions on the trading of the Corporation's securities imposed by the Corporation in accordance with its trading policies affecting trades by persons designated by the Corporation.

#### **ARTICLE 10 - ADMINISTRATION**

10.1 The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Nothing in the Plan shall be construed as giving any Participant the right to be retained in the employ of or as director of, or a Consultant to, the Corporation or any of its Subsidiaries or any right to any payment whatsoever except to the extent of the benefits provided for by the Plan. The Corporation and its Subsidiaries expressly reserve the right to dismiss any Participant or terminate any Participant's status as a director or a Consultant at any time without liability except which such dismissal or termination might have upon him as a Participant other than as expressly provided for herein. No reasonable notice or payment in lieu thereof will extend the period of employment for purposes of the Plan.

10.2 The Plan will be administered by the Board and the Board has the sole and complete authority, in its discretion, to:

- (a) interpret the Plan and the Grant Agreements and prescribe, modify and rescind rules and regulations relating to the Plan and the Grant Agreements;
- (b) correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent it considers necessary or advisable for the implementation and administration of the Plan;
- (c) exercise rights reserved to the Corporation under the Plan;
- (d) determine whether and the extent to which any Performance Criteria or other conditions applicable to the Vesting of Restricted Share Units have been satisfied;
- (e) prescribe forms for notices to be prescribed by the Corporation under the 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 Plan.

The Board's determinations and actions under this Plan are final, conclusive and binding on the Corporation, the Participants, any Beneficiary and all other persons.

10.3 Notwithstanding Section 10.2, the Board may delegate any of its administrative responsibilities described in Section 10.2 to an Administrator and all actions taken and decisions made by such Administrator in this regard shall be final, conclusive, and binding on all parties concerned, including but not limited to, the Corporation, the Participants, and any Beneficiary.

10.4 Each Participant shall provide the Corporation, the Board and the Administrator (either individually or all, as applicable) with all information (including "personal information" as defined in the Personal Information Protection and Electronic Documents Act (Canada) or any applicable provincial privacy legislation) they require in order to administer the Plan or to permit the Participant to participate in the Plan (the "Participant Information"). The Corporation, the Board, and the Administrator may from time to time transfer or provide access to the Participant Information to a third party service provider for purposes of the administration of the Plan provided that such service providers will be provided with such information for the sole purpose of providing services to the Corporation in connection with the operation and administration of the Plan and provided further that such service provider agrees to take appropriate measures to protect the Participant Information and not to use it for any purpose except to administer or operate the Plan. The Corporation may also transfer and provide access to Participant Information to its Subsidiaries for purposes of preparing financial statements or other necessary reports and facilitating payment or reimbursement of Plan expenses. In addition, Participant Information may be disclosed or transferred to another party during the course of, or completion of, a change in ownership of, or the grant of a security interest in, all or a part of the Corporation or its Subsidiaries, provided that such party is bound by appropriate agreements or obligations and required to use or disclose the Participant Information in a manner consistent with this Section 10.4. The Corporation shall not disclose Participant Information except as contemplated in this Section 10.4 or in response to regulatory filings or other requirements for the information by a governmental authority or regulatory body or a self-regulatory body in which the Corporation participates in order to comply with applicable laws (including, without limitation, the rules, regulations and policies of the TSX and any other stock exchange on which the Shares are then listed and posted for trading) or for the purpose of complying with a subpoena, warrant or other order by a court, person or body having jurisdiction over the Corporation to compel production of the information. By participating in the Plan, each Participant acknowledges that Participant Information may be so provided as set forth above and agrees and consents to its provision on the terms set forth herein.

#### **ARTICLE 11 - LIABILITY**

11.1 None of the Corporation, the Board, the Administrator or any person acting on their direction or authority shall be liable for anything done or omitted to be done by such person with respect to the price, time, quantity or other conditions and circumstances of the issuance or purchase of Shares under the Plan or with respect to any fluctuations in the market price of the Shares or in any other connection under the Plan.



11.2 No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

11.3 The Corporation makes no representations or warranties to Participants with respect to the Plan or the Restricted Share Units whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to exclusively accept all risks associated with a decline in the Fair Market Value of Shares and all other risks associated with the holding of Restricted Share Units.

#### **ARTICLE 12 - TAXES AND OTHER SOURCE DEDUCTIONS**

12.1 The Corporation and its Subsidiaries shall not be liable for any tax imposed on any Participant or any Beneficiary as a result of the crediting, holding or redemption of Restricted Share Units, amounts paid or credited to such Participant (or Beneficiary), or securities issued or transferred to such Participant (or Beneficiary) under this Plan. It is the responsibility of the Participant (or Beneficiary) to complete and file any tax returns which may be required under any applicable tax laws within the period prescribed by such laws.

12.2 The Corporation and its Subsidiaries shall be authorized to deduct, withhold and/or remit, or to cause to be deducted, withheld and/or remitted, from any amount paid or credited hereunder (whether in Shares or cash), or otherwise, such amount as may be necessary so as to ensure the Corporation and/or such Subsidiary will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, including on the amount, if any, includable in the income of a Participant or Beneficiary, as the case may be (the "Applicable Withholding Taxes").

#### **ARTICLE 13 - NO SHAREHOLDER RIGHTS AND UNFUNDED PLAN**

13.1 Under no circumstances shall Restricted Share Units be considered Shares or other securities of the Corporation, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Corporation, including, without limitation, voting rights, dividend entitlement rights or rights on liquidation, nor shall any Participant be considered the owner of Shares by virtue of the award of Restricted Share Units.

13.2 The Plan shall be unfunded and the Corporation will not secure its obligations under the Plan. To the extent any Participant or his Beneficiary holds any rights by virtue of a grant of Restricted Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

#### **ARTICLE 14 - CURRENCY**

14.1 All payments and benefits under the Plan shall be determined and paid in the lawful currency of Canada.

#### **ARTICLE 15 - GOVERNING LAW**

15.1 The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to conflict of laws principles.

#### **ARTICLE 16 - SEVERABILITY**

16.1 The invalidity or unenforceability of any provision of this Plan shall not affect the validity or enforceability of any provision and any invalid or unenforceable provision shall be severed from the Plan.

*[Schedule "A" - Form of Grant Agreement - Intentionally Omitted]*



## APPENDIX E

### Individual Directors' Continuing Education Activities in 2021

In addition to internal continuing education sessions hosted by MEG, as described on page 66, our directors participated in the following continuing education activities:

Category	Conference/Seminar/Topic(s)	Host/Presenter	Director(s)
<b>ICD.D Designation</b>	All courses required to receive ICD.D certification	ICD	McQueen
<b>BOARD GOVERNANCE</b>	Board Evaluations Amid Heightened Scrutiny	AGENDA	MacKenzie
	Director Roundtable - Board Diversity	Alberta Securities Commission	MacKenzie
	Board-Shareholder Engagement - Impact and Insights	CCGG	MacKenzie
	Anti-Bribery Course	Gran Tierra Energy	Hodgins
	Ethics Training	Gran Tierra Energy	Hodgins
	Director Forum: Board Governance and Effectiveness in a Virtual Environment	Hugessen	Bruce
	Board Effectiveness Director Roundtable	Hugessen	MacKenzie
	Is Your Board Ready for the Next Crisis? What 2020 has Taught Us	ICD	Hodgins
	Board-Management Dynamics During Unprecedented Times	ICD	Hodgins
	The Board's Role in Social Impact Initiatives	ICD	Hodgins
	Women Leading the World Through the Pandemic	ICD	MacKenzie
	Elevating Board Performance - Refreshment and Succession Planning	ICD	MacKenzie
	Annual National Conference - Next Level Governance	ICD	MacKenzie
	Missing Pieces - The Changing Landscape of Workforce Oversight	AGENDA/Deloitte	MacKenzie
	Naked Short Selling Discussion	Alberta Securities Commission	Bruce
<b>BUSINESS</b>	Diversity in Corporate Canada & the Role of the Regulator	Alberta Securities Commission	Bruce
	Annual Securities Law Forum	Bennett Jones	Hodgins
	HR Considerations in Buying a Business	BlueJeans	McFarland
	Building Empowerment Through a Racial and Gender Equity Lens	BMO	MacKenzie
	The Future of Work in a Distributed Environment	Diligent	MacKenzie
	The Energy Roundtable Webinar: The Case for Canadian Energy	Energy Roundtable	McFarland
	2021 Proxy Season Review -What's New, Pay Trends and COVID Update	Hugessen	Hodgins, MacKenzie & McFarland
	Employees Working from Anywhere, Everywhere, All the Time: Why Boards Need to Have Their Finder on the Pulse	ICD	Hodgins & MacKenzie
	2021 Proxy Season Review Webinar	Kingsdale Advisors	McFarland
	Corporate Culture in Practice	Latham & Watkins	Hodgins
<b>COMPENSATION</b>	Employee Stock Options Webcast Series: Canada (Parts 1 and 2)	Deloitte and Hugessen Consulting	MacKenzie & McFarland
	HRCC- Executive Compensation: Key Learnings from the 2021 Proxy Season	ICD	MacKenzie
	2021 Executive Compensation Briefing	Meridian	MacKenzie
	2021: A New Executive Pay Landscape Webcast Series	Willis Towers Watson	McFarland
	Executive Compensation in 2022: Preparing for a Smoother Entry in the New Year Webcast	Willis Towers Watson	McFarland
<b>COVID-19</b>	Spring 2021 Economic Outlook: Beyond COVID Webinar	Bennett Jones LLP	McFarland

Category	Conference/Seminar/Topic(s)	Host/Presenter	Director(s)
ESG	The Politics of Carbon Pricing in Canada (SCOC decision) Panels 1 & 2	Canada's Ecofiscal Commission	MacKenzie
	Canada's Energy Security and The Path To Decarbonization	Deloitte 360	MacKenzie
	Diversity, Equity & Inclusion	"Featuring Nichelle Grant	Hodgins
	Environmental, Social and Governance Update Webinar	Siemens"	MacKenzie & McFarland
	A Dialogue with Indigenous Leaders	Hugessen	MacKenzie
	ESG Presentation	ICD	Hodgins
	Boardroom climate competence: Getting ahead of the curve	Karen Clarke-Whistler	MacKenzie
	A US Perspective on the ISSB - Global ESG Reporting Standards	KPMG	MacKenzie
	Climate Risk & Decarbonization Round Table	KPMG	Bruce
	Inclusion & Diversity	KPMG LLP	Hodgins
	How ESG and the Energy Transition Are Impacting Risk Management	KPMG LLP	MacKenzie
	Women in Energy - ESG Oversight	Pilko & Associates	MacKenzie
	The Decisive Decade for Climate Change Webinar	PWC	McFarland
	ESG 2.0	The Economist	MacKenzie
	Culture Change for Climate Change - Incentivizing Climate Resilience (Virtual)	TPH	McFarland
	Workforce Strategies: Considerations for Virtual, Hybrid, In-Person Employees	Willis Towers Watson	MacKenzie
	Workplace Emotional Health: Exploring Gender Differences	NACD	MacKenzie
	Virtual Directors Roundtable: The Long-term Value of Workforce Well-being	Optimum Talent Inc	Hodgins
INDUSTRY	Energy Transitions: How do we Power Humanity in the Future?	"Featuring Dr. Brad Hayes	Hodgins
	Canadian Society for Unconventional Resources / University of British Columbia"		Hodgins & MacKenzie
	Critical Thinking for Equitable Energy	"Featuring Dr. Scott Tinker	MacKenzie
	Switch Energy Alliance"		MacKenzie
	Outlook and Perspectives on Global & NAM Energy Sector	HSBC	MacKenzie
	2021 Annual Regulatory Update: AER & AUC	Osler, Hoskin & Harcourt	MacKenzie
	Capture The Moment CCUS Conference	TPH	Hodgins
	Director Series: "A Hydrogen Primer"	Tudor Pickering & Holt (TPH)	Hodgins
FINANCE	Blue, Green, Gray & Colour of Money	Tudor, Pickering, Holt & Co.	Hodgins
	Accounting & Tax Update - Q1 2021	KPMG LLP	Hodgins
TECHNOLOGY	Cybersecurity with New York Times Cybersecurity Journalist Nicole Perlroth	CPA Ontario	Hodgins
	Hydraulic Fracturing Innovations Standouts in 2021 Webinar	Society of Petroleum Engineers	McFarland
	Banking on Carbon Capture and Sequestration	TPH	MacKenzie
	IoT in Oil and Gas Conference (Virtual), Houston, TX	Energy Conference Network	Bruce
LEADERSHIP	Leadership Roundtable Series	Caldwell	Hodgins
	Managing without Authority	SkillGym	Hodgins
GENERAL/MULTIPLE	KPMG Mining Forum	KPMG LLP	Bruce
	World Petroleum Congress - Houston (in person)	World Petroleum Council	McFarland
	World Nuclear Association Conference (Virtual), London UK	World Nuclear Association	Bruce
	Proxy Advisors: Their Role, Impact and Best Practices	Board Ready Women	MacKenzie
	Miami Conference	Canaccord	Hodgins
	Policy: Prairie Priorities per Prime Minister Special Representative	Canada West Foundation	MacKenzie
	Election Post-Mortem	KPMG LLP	Hodgins

# QUESTIONS? NEED HELP VOTING?

## CONTACT US

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NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS - MAY 3, 2022

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