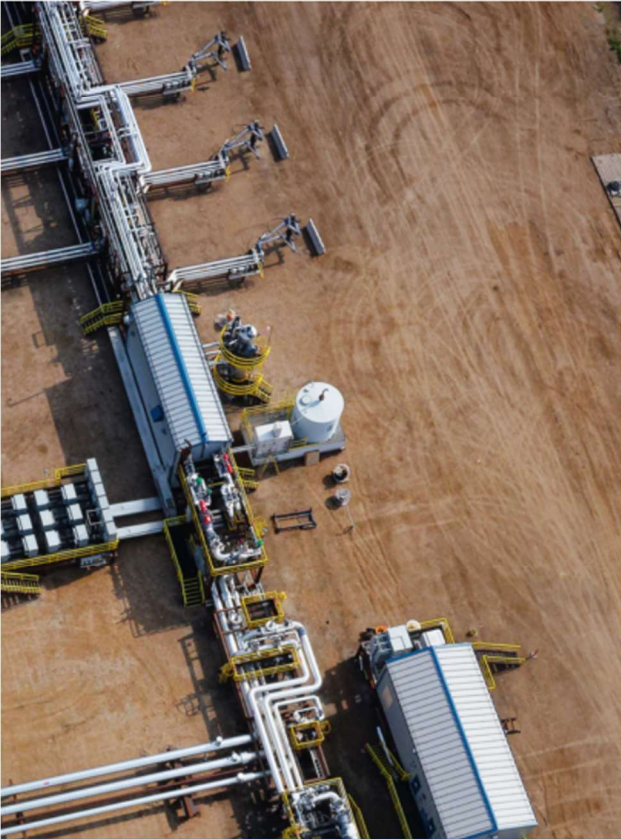




**MEG ENERGY**

Sustainable. Innovative. Responsible.



# MANAGEMENT INFORMATION CIRCULAR

NOTICE OF ANNUAL MEETING  
OF SHAREHOLDERS - MAY 7, 2024





# THE 2024 ANNUAL MEETING OF SHAREHOLDERS

MAY  
7  
2024

1 PM  
MDT

**VIRTUAL AGM**

TO REGISTER AND JOIN GO TO:  
[www.meetnow.global/M2H9GVF](http://www.meetnow.global/M2H9GVF)

## VOTING ITEMS

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- To elect the directors of the Corporation for the ensuing year;
- To appoint auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation to fix their remuneration; and
- To approve, in an advisory, non-binding capacity, a resolution to accept the Corporation's approach to executive compensation.

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 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 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.

**Supplementary financial measures and ratios:**

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

**Capital management measures:**

Net debt  
Free cash flow

March 18, 2024

## Dear Fellow Shareholders:

On behalf of our Board of Directors, I am pleased to provide you with our 2024 Management Information Circular and invite you to our annual meeting of Shareholders on May 7, 2024 at 1:00 p.m. Mountain Daylight Time. The meeting will be held via live audio webcast at <https://www.meetnow.global/M2H9GVF>.

The Meeting will be hosted virtually through an online platform, as we believe this format allows for all Shareholders to attend the meeting and exercise their right to participate, regardless of their location, and provides the most convenient option for our Shareholders to vote their shares and to submit questions online.

## 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 2023 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 instruction form provided to submit your vote prior to the meeting.

## Governance Updates

In October, we were saddened to announce the sudden passing of our Board Chair, Mr. Ian Bruce. Mr. Bruce was a tremendous supporter of MEG and our management team, and his loss has been felt deeply throughout the organization. In November, I was appointed Board Chair after having served as a director of MEG since 2010, and I am honoured to continue to serve on the Board as Chair.

On February 29, 2024, we announced a transition in our executive leadership. Mr. Derek Evans, who has served as the President and Chief Executive Officer for almost six years, has decided to step down as President and CEO and director of MEG effective May 1, 2024, and Ms. Darlene Gates, our current Chief Operating Officer, will become President and CEO. On behalf of the Board, I would like to express my sincere gratitude to Derek for his contributions to MEG. Under Derek's transformational guidance and leadership, MEG successfully completed several strategic initiatives and navigated the COVID-19 pandemic, and MEG is now positioned to reach its net debt target of US\$600 million in 2024. That milestone will allow the Corporation to begin returning 100% of its free cash flow to Shareholders and to begin execution of certain modest growth projects over the next few years.

Ms. Gates was appointed as COO in September 2021, and brings direct operational and leadership experience in the oil sands, and a track record of leading technical teams and stakeholder relations, including Indigenous communities. Since joining MEG, Ms. Gates has overseen the implementation of an industry-leading operational excellence management system and a safety leadership development program and has been instrumental in developing the Corporation's current strategy. The Board looks forward to Ms. Gates continuing to execute the Corporation's strategy to deliver 100% of free cash flow to Shareholders and lead the completion of our growth projects which will drive long-term value creation.

We also have two new Board nominees standing for election at the Meeting, Ms. Darlene Gates, whose experience is set forth above, and Mr. Robert Rooney. Mr. Rooney will bring over 40 years of experience in the energy business, including significant experience in corporate governance, strategic planning and execution, leadership and management, mergers and acquisitions, and government and external relations.

## The Year Ahead

The Board's goal is to deliver value to all of MEG's Shareholders and other interested parties. In particular, the Board is focused on Safety, Strategy, Board Governance, Environment, Social and Governance, Management, Succession Planning and Enterprise Risk Management, all of which are fundamental to value creation, financial and environmental sustainability, and future success.

In 2023, for the first time in its history, MEG achieved annual average bitumen production of over 100,000 barrels per day from its top tier in-situ thermal asset at Christina Lake and generated nearly \$1 billion of annual free cash flow. The Corporation continued to execute on its capital allocation strategy, including repaying approximately \$437 million of debt and completing approximately \$446 million in share buybacks. The Corporation also announced its plans for investment in a third train in its Christina Lake facility concurrently with reaching its net debt target in 2024.

For 2024, we will continue our focus on debt reduction and capital allocation strategy, as well as safety leadership, operational excellence and innovation, as we execute on our initiative to return 100% of free cash flow to Shareholders and commence our investments in modest growth.

I 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 Shareholders and interested parties 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, I would like to thank you, our Shareholders, and all other interested parties for your continued support. I am confident that MEG is well-positioned for the future.

Sincerely,



(signed) "*James D. McFarland*"

**JAMES D. MCFARLAND**

Chair  
MEG Energy Corp.

# MEG Energy Corp.

## Notice of Annual Meeting of Shareholders

### When

Tuesday, May 7, 2024  
1:00p.m. (Mountain Daylight Time) (the "Meeting")

### Where

Virtual Meeting via live audio webcast online at  
<https://www.meetnow.global/M2H9GVF>

The Corporation believes that conducting a virtual Meeting via live audio webcast is in the best interests of the Corporation's shareholders ("Shareholders") and other interested parties. By improving access, a virtual Meeting enables more Shareholders to participate in the Meeting regardless of their geographic location. It also reduces the costs to the Corporation and its Shareholders and reduces the Corporation's carbon footprint by requiring less travel for the Corporation's Board of Directors and Shareholders and fewer printed materials. For assistance with voting or attending the Meeting, Shareholders may contact Kingsdale Advisors, the Corporation's strategic advisor, by telephone at 1-888-694-4330 or 437-561-5020 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

### 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, 2023, and the auditors' report thereon;
2. To elect the directors of the Corporation for the ensuing year;
3. To appoint auditors of the Corporation for the ensuing year and to authorize the Board of Directors of the Corporation to fix their remuneration;
4. To approve, in an advisory, non-binding capacity, a resolution to accept the Corporation's approach to executive compensation; and
5. To transact such other business as may properly come before the Meeting or any adjournment thereof.

### 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:



#### 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 their discretion without notice.



#### Mail:

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



#### Internet:

Visit [www.investorvote.com](http://www.investorvote.com) and enter your 15-digit control number.

### Your Vote is Important

You are entitled to receive notice of, and to vote at, the Meeting and at any adjournment thereof, if you are a Shareholder of record at the close of business on March 18, 2024.

The accompanying Circular includes important information about the Meeting and the voting process. Please read it carefully and remember to vote.

For any assistance with voting, Shareholders may contact Kingsdale Advisors, the Corporation's strategic advisor, by telephone at 1-888-694-4330 or 437-561-5020 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

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 2023 financial statements can also be accessed online at [www.megenergy.com](http://www.megenergy.com) or on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

#### **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, 2024

# Management Information Circular

## Glossary of Terms

<b>Audit Committee</b>	Audit Committee of the Board
<b>Board</b>	Board of Directors of the Corporation
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>Circular</b>	this management information circular
<b>COO</b>	Chief Operating Officer
<b>Corporation or MEG</b>	MEG Energy Corp.
<b>DSU</b>	deferred share unit issued under the DSU Plan
<b>DSU Plan</b>	Deferred Share Unit Plan
<b>Executives</b>	employees at the vice president level and above, and includes the NEOs
<b>GNC</b>	Governance and Nominating Committee of the Board
<b>HRCC</b>	Human Resources and Compensation Committee of the Board
<b>HSERC</b>	Health, Safety and Environment and Reserves Committee of the Board
<b>LTI</b>	long-term incentive compensation
<b>MD&amp;A</b>	the Corporation's management's discussion and analysis for the year ended December 31, 2023
<b>Meeting</b>	the 2024 annual meeting of the Corporation's Shareholders
<b>NEO</b>	Named Executive Officer
<b>Option</b>	option to purchase a Share issued under the Option Plan
<b>Option Plan</b>	Stock Option Plan
<b>PSU</b>	performance share unit issued under the RSU Plans
<b>Record Date</b>	March 18, 2024
<b>RSU</b>	restricted share unit issued under the RSU Plans
<b>RSU Plans</b>	Restricted Share Unit Plan and Cash-Settled Restricted Unit Plan
<b>Shareholders</b>	holders of Shares
<b>Shares</b>	common shares of the Corporation
<b>STI</b>	short-term (annual) incentive compensation
<b>TSX</b>	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, 2024, except where otherwise noted.

## Record Date

Only persons who are Shareholders of record at the close of business on March 18, 2024 (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, their 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 Meeting

The Corporation believes that conducting a virtual Meeting via live audio webcast is in the best interests of the Corporation's Shareholders and other interested parties. A virtual Meeting enables Shareholders to participate in the Meeting regardless of their geographic location and provides equal opportunity for Shareholders to participate, ask questions, and vote at the Meeting. A virtual Meeting also reduces costs to the Corporation and its Shareholders and reduces the Corporation's carbon footprint by requiring less travel for the Corporation's Board and Shareholders and fewer printed materials.

Registered Shareholders and duly appointed proxyholders may participate via the live audio webcast of the Meeting at <https://www.meetnow.global/M2H9GVF>.

Non-registered (or beneficial) Shareholders may also listen to the live audio webcast of the Meeting at the same URL but will not have the ability to vote virtually or ask questions through the live audio webcast unless they are duly appointed and registered as proxyholders (see "*Notice to Beneficial Holders of Shares*").

Once logged in to the Meeting, registered Shareholders and duly appointed proxyholders may ask questions throughout the duration of the Meeting. See "*Virtual Meeting Guidelines - Asking questions at the Meeting*".

## 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 May 7, 2024, at 1:00 p.m. (Mountain Daylight 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 or any adjournment thereof.

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 have the ability to participate, ask questions, and vote at the Meeting using the online virtual meeting platform at <https://www.meetnow.global/M2H9GVF>, click on "JOIN MEETING NOW", then select "Shareholder". Registered Shareholders will need to enter the 15-digit control number found on their Instrument of Proxy. If you are an appointed proxyholder, including beneficial Shareholders who have appointed themselves as proxyholder (see "*Notice to Beneficial Holders of Shares*"), select "Invitation" and enter your 'Invite Code'. Your Invite Code can be found in the email sent to you from Computershare, provided the proxyholder appointment has been registered. **Without an Invite Code, proxyholders will not be able to attend and vote at the Meeting.**

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 audio webcast of the Meeting by going to <https://www.meetnow.global/M2H9GVF> and clicking on "Guest" and completing the online form.

For more information on how to vote your Shares as a non-registered (beneficial) Shareholder, please see "*Notice to Beneficial Holders of Shares*".

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") to provide a broad array of strategic advisory, governance, strategic communications, digital and investor campaign services on a global retainer basis in addition to certain fees accrued during the life of the engagement upon the discretion and direction of MEG. Kingsdale will also assist the Corporation with soliciting proxies and the Corporation will pay fees to Kingsdale of approximately \$46,000, in addition to certain out-of-pocket expenses, for such solicitation assistance. 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 (beneficial) Shareholders vote their Shares. Alternatively, Kingsdale may contact such non-registered (beneficial) 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 437-561-5020 (text and call enabled outside 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 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 their 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 their signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has previously been filed with Computershare 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 duly appointed 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. Non-registered (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, their 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 auditors of the Corporation at such remuneration as the directors of the Corporation may determine; and
- (iii) "FOR" the Corporation's approach to executive compensation.

For assistance, Shareholders may contact Kingsdale by telephone at 1-888-694-4330 or 437-561-5020 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

**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. Having registered for electronic delivery, going forward you will receive your Meeting materials by email and will be able to vote on your device by simply following a link in the email sent by your financial intermediary, provided your intermediary supports this service.



Registered Shareholders may sign up for electronic delivery at [www.investorcentre.com](http://www.investorcentre.com)

Beneficial Shareholders may sign up for electronic delivery at [www.proxyvote.com](http://www.proxyvote.com)

## Notice to Beneficial Holders of Shares

A Shareholder is a beneficial Shareholder if their 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, 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 (i) appoint themselves as proxyholder by inserting their own name in the space provided on the VIF and follow all of the applicable instructions provided by their intermediary, AND (ii) for online participation, they must also register themselves as their own proxyholder, as described below under "Online Proxyholder Voting". By doing so, the beneficial Shareholder is instructing their intermediary to appoint them as proxyholder. Non-registered (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, 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 beneficial Shareholder appoints himself 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 1:00 p.m. (Calgary time) on May 3, 2024. You will receive a confirmation of your registration by email once Computershare receives your registration materials. Please note that you are also required to register your appointment at [www.computershare.com/MEG](http://www.computershare.com/MEG) (see "Online Proxyholder Voting" below).

### Online Proxyholder Voting

If a Shareholder appointed themselves or someone else to vote at the Meeting, other than the management proxy nominees identified in the Proxy or VIF, then such Shareholder MUST ALSO visit [www.computershare.com/MEG](http://www.computershare.com/MEG) no later than 1:00 p.m. (Calgary time) on May 3, 2024, 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.** Shareholders may contact Kingsdale Advisors, the Corporation's strategic advisor by telephone at 1-888-694-4330 or 437-561-5020 (text and call enabled outside North America), or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

## Virtual Meeting Guidelines

### *Asking questions at the Meeting*

The Corporation understands the importance of giving Shareholders the ability to participate in the Meeting in a meaningful way, including asking questions. Accordingly, Registered Shareholders, non-registered (beneficial) Shareholders who have appointed themselves as proxyholders and proxyholders accessing the Meeting will have the opportunity to ask questions at the Meeting by selecting the "Q & A" icon of the online platform and typing the question. All questions received will be provided to the Corporation in real time during the Meeting. It is anticipated that Shareholders will have substantially the same opportunity to ask questions on matters of business before the virtual Meeting as they would at a meeting held in person.

Questions received from Shareholders which relate to the business of the Meeting are expected to be addressed when the applicable motion is being discussed. If questions are received after the vote on a motion has occurred, or if the questions relate to the affairs of the Corporation, these are expected to be addressed in the question-and-answer session that will follow the Meeting. All 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.

Should there be insufficient time during the Meeting to respond to all questions, the questions and answers will be posted on the Corporation's website, [www.megenergy.com](http://www.megenergy.com), under "Investors" - "Shareholder Information" - "2024 Annual Shareholders Meeting". In addition, an audio recording of the Meeting will be made available on the Corporation's website, at the same location, after the Meeting has concluded.

### *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 (beneficial) 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 (beneficial) 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. The virtual meeting platform is fully supported across most commonly used web browsers (note: Internet Explorer is not a supported browser). You will be able to log in up to 60 minutes prior to the start of the Meeting. We recommend that you log in well before the Meeting is scheduled to begin to check into the Meeting online and complete the related procedures and to address any technical or logistical issues you may encounter.

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 audio 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. If you experience technical or logistical issues related to accessing the virtual Meeting, technical support is available.



**1-888-724-2416** (toll-free in Canada and the United States)  
**781-575-2748** (long distance charges may apply)

## Notice and Access

The Corporation has elected to use notice and access for the delivery of this Circular to both our registered and beneficial Shareholders. Adopting notice and access to deliver materials is more environmentally friendly and reduces costs for printing, paper, and mailing. National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 - *Continuous Disclosure Obligations* (the "Notice and Access Provisions") allow a reporting issuer to post its information circular in respect of a meeting of its shareholders and related materials online. Under the Notice and Access Provisions, Shareholders will receive (i) a notice outlining the matters to be addressed at the Meeting which explains how to access the Circular electronically and how to request paper copies, at no charge (the "Notice and Access Notification"), and (ii) a Proxy or VIF, as applicable, which explains how to vote their Shares.

Shareholders who have previously requested to receive paper copies of materials will receive a physical copy of the Notice of Annual Meeting, this Circular and a Proxy or VIF, as applicable. Furthermore, a paper copy of the financial statements and MD&A 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 Shareholders 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 the close of business on March 18, 2024, 271,325,421 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 Executives, as at March 18, 2024, 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
FMR LLC <sup>(1)</sup>	Direct/Indirect	30,156,714 <sup>(2)</sup>	11.11% <sup>(3)</sup>

**Notes:**

- (1) Represents various Fidelity entities set forth on the filing made by FMR LLC under the Corporation's SEDAR+ profile on November 10, 2023.
- (2) Based on the filing made by FMR LLC under the Corporation's SEDAR+ profile on November 10, 2023.
- (3) Based on the Corporation's issued and outstanding shares as of the close of business on March 18, 2024.

## Advance Notice By-Law

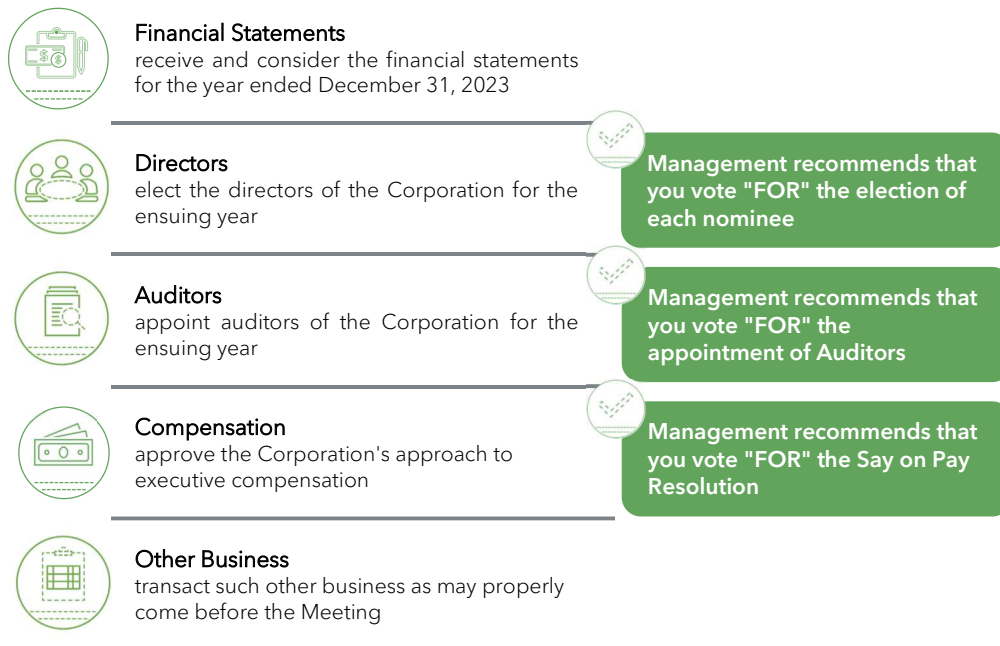
The Corporation's Consolidated General By-Law sets out the advance notice requirements for director nominations (the "Advance Notice By-Law"). The purpose of the Advance Notice By-Law is to provide Shareholders with guidance on the process for nominating directors. The Advance Notice By-Law fixes a deadline 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 22, 2024. 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 2025 is February 6, 2025.

## Business of the Meeting



### 1. Financial Statements and Auditor's Report

The financial statements of the Corporation for the fiscal year ended December 31, 2023, 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.sedarplus.ca](http://www.sedarplus.ca), 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 of incorporation provide that there must be a minimum of three (3) and a maximum of fifteen (15) directors. 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.

- |                              |                              |                             |
|------------------------------|------------------------------|-----------------------------|
| <b>1. Gary A. Bosgoed</b>    | <b>2. Darlene M. Gates</b>   | <b>3. Robert B. Hodgins</b> |
| <b>4. Kim Lynch Proctor</b>  | <b>5. Susan M. MacKenzie</b> | <b>6. Jeffrey J. McCaig</b> |
| <b>7. James D. McFarland</b> | <b>8. Diana J. McQueen</b>   | <b>9. Robert R. Rooney</b>  |

All of the proposed nominees, other than Ms. Gates and Mr. Rooney, were elected as directors at the annual meeting of Shareholders of the Corporation held on May 1, 2023. 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 their 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.



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".

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 Auditors

The Board unanimously recommends that PricewaterhouseCoopers LLP, Chartered Professional Accountants, Calgary, Alberta, be appointed auditors of the Corporation to hold office until the close of the next annual meeting of Shareholders, at a remuneration to be determined by the directors of the Corporation. PricewaterhouseCoopers ("PwC") was first appointed as the auditors of the Corporation on December 2, 2004.



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 auditors of the Corporation until the next annual meeting of Shareholders, at a remuneration to be determined by the directors of the Corporation.

The following table provides the aggregate fees billed to the Corporation for professional services rendered by PwC in the years ended December 31, 2022, and 2023:

	2023 (\$)	2022 (\$)
Audit Fees	467,508	472,652
Audit Related Fees <sup>(1)</sup>	346,438	223,068
Tax Fees <sup>(2)</sup>	-	-
All Other Fees	-	-
<b>Total</b>	<b>813,946</b>	<b>695,720</b>

**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.

At the annual meeting of Shareholders of the Corporation held on May 1, 2023, PwC was appointed auditor of the Corporation. The voting results were as follows:

	Votes FOR		Votes WITHHELD	
	#	%	#	%
2023 Appointment of Auditors	166,984,355	99.51	825,281	0.49

### Auditor Independence and Quality

The Corporation recognizes that auditor independence is critical to the integrity of the Corporation's financial information. As such, the Corporation's auditor selection process is designed to maintain auditor independence while balancing a need for continuity of knowledge in order to ensure a high-quality audit provided by an audit firm with the depth and breadth of experience to effectively and efficiently audit a large, complex business organization. The Audit Committee continuously assesses the external auditor and, on an annual basis, reviews audit quality, auditor tenure and appropriateness of audit fees, including the benefits and risks of having a long-tenured auditor and the controls and processes that ensure their independence. This assessment also considers the following items, among others:

- Thorough Audit Committee oversight, including regular *in-camera* meetings with PwC and a comprehensive evaluation by the Audit Committee in determining whether to engage PwC.
- Robust pre-approval policies and procedures and limits on non-audit services, requiring Audit Committee pre-approval for all audit and non-audit services, including the type of services to be provided and the estimated fees related to those services.
- Strong internal PwC independence policies and procedures, via PwC's periodic internal quality reviews of its audit work and rotation of lead engagement partners after a maximum of seven years. PwC also conducts mandatory annual training for all professional staff globally on independence requirements and procedures.
- Strong regulatory framework, evidenced by PwC's status as an independent registered public accounting firm that is subject to the Canadian Public Accountability Board ("CPAB") inspections, peer reviews and CPAB and securities regulatory oversight.

Based upon this evaluation, the Audit Committee believes that PwC is independent and that it is in the best interests of the Corporation and its Shareholders to retain PwC as its independent auditor for 2024.

## 4. Say on Pay

The Corporation's compensation policies and procedures are centred 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 (fixed) and short-term and long-term incentive opportunities (variable or "at risk"), with a heavier weighting on variable compensation;
- 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 and PSUs, 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, 2024 and delivered in advance of the 2024 Annual Meeting of Shareholders".

As this is an advisory vote, the results will not be binding upon the Board. However, if this advisory resolution is not well-supported by Shareholders, the Board will consult with Shareholders (particularly those who are known to have voted against it) to understand their concerns and will review the Corporation's approach to executive compensation in the context of those concerns. Further, the Board will consider the outcome of the vote as part of its ongoing review of executive compensation.



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.

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. 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 2025.

At the annual meeting of Shareholders of the Corporation held on May 1, 2023, an advisory resolution was passed accepting the Corporation's approach to executive compensation. The voting results were as follows:

	Votes FOR		Votes AGAINST	
	#	%	#	%
2023 Say on Pay	155,995,384	95.72	6,979,427	4.28

## 5. Other Business

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

## Information on Director Nominees

### Background

Each nominee brings a mix of skills and experience to the Board. The combination of these skills is important for the Board to effectively oversee the Corporation's business and affairs and carry out its duties and responsibilities. In addition, in furtherance of the Corporation's intention to foster a culture of inclusion and to increase diversity within the organization, the Corporation's Diversity, Equity and Inclusion 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. The Corporation achieved compliance with these goals in 2022, well ahead of the 2025 target. Of the 9 director nominees put forward for election this year, 4 (44%) are female and 5 (56%) are diverse persons. See "Corporate Governance Practices - Diversity, Equity and Inclusion".



Of the 9 director nominees put forward for election this year, 4 (44%) are female and 5 (56%) are diverse.

### Nominees and Post-Meeting Committee Membership

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

Director Nominee	Director Since	Independent	Age	2023 Approval	Committee Membership			
					Audit	GNC	HRCC	HSERC
James D. McFarland (Chair) <sup>(1)</sup>	2010	Yes	77	99.57%	Ex-Officio	Ex-Officio	Ex-Officio	Ex-Officio
Darlene M. Gates	N/A	No <sup>(2)</sup>	53	N/A				
Gary A. Bosgoed	2022	Yes	65	99.78%		•		•
Robert B. Hodgins	2010	Yes	72	99.11%	Chair	•		
Kim Lynch Proctor	2022	Yes	48	99.76%	•		•	
Susan M. MacKenzie	2020	Yes	63	99.78%	•			Chair
Jeffrey J. McCaig	2014	Yes	72	98.80%			Chair	•
Diana J. McQueen	2015	Yes	62	98.57%		Chair	•	
Robert R. Rooney	N/A	Yes	67	N/A	•	•		

**Notes:**

(1) Mr. McFarland was appointed Chair of the Board on November 7, 2023.

(2) Ms. Gates is currently the COO and will become the President and CEO on May 1, 2024. In her capacity as the President and CEO, Ms. Gates is not independent and will be 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, 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 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 8, 2024; 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 8, 2024; the value of securities held by the nominee as at March 8, 2024; 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 two previous annual meetings of Shareholders, if applicable.

# James D. McFarland

Age: 77

Municipality of Residence: Calgary, Alberta, Canada

Positions/Offices Held: Chair of the Board and Director | **Independent**

Director Since: June 9, 2010 (appointed as Chair of the Board on November 7, 2023)

Expertise/Training: Engineering/Geology | Business Executive



Mr. James D. McFarland has over four decades of domestic and international experience in the oil and gas industry. He has been a director of Valeura Energy Inc. since April 2010 and served as President and CEO until his retirement in December 2017. Prior thereto, Mr. McFarland has held a number of executive leadership roles including President and CEO, director and co-founder of Verenex Energy Inc., Managing Director of shale-oil developer Southern Pacific Petroleum N.L. in Australia and President and Chief Operating Officer of Husky Oil Limited. Prior to this, he held various leadership positions over a 23-year period 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 and Arrow Exploration Corp. He currently serves on the Executive Committee of WPC Energy (an international NGO) as Vice President, Programme and Chair, Congress Programme Committee, and on the board of directors of the Canadian Association for WPC Energy, which hosted the 24th WPC Congress in Calgary in September 2023.

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.

## 2023 Board and Committee Memberships<sup>(1)</sup>



Board of Directors  
GNC  
HRCC  
HSERC

### Attendance<sup>(1)</sup>

9/9

2/2

3/3

5/5

### Total

100%

100%

100%

100%

## Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

### Votes FOR

#	%
162,274,539	99.57%
151,193,355	98.59%

### Votes WITHHELD

#	%
700,272	0.43%
2,155,974	1.41%

## Other Company Boards



**Public**  
Valeura Energy Inc.

**Private**  
None

## Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>	
	Vested (Shares + DSUs)	Unvested (RSUs)
5,209 Shares	\$150,592	-
139,077 DSUs	\$4,020,716	-
3,109 RSUs	-	\$89,881
<b>Total</b>	<b>\$4,171,308</b>	<b>\$89,881</b>

**Complies with Share  
Ownership Guidelines<sup>(3)</sup>**  
Yes

**Total Value of Securities Held**  
**\$4,261,189**

See "Notes to Information on Director Nominees" on page 18.



## Darlene M. Gates

Age: 53

Residence: Calgary, Alberta, Canada

Positions/Offices Held: Chief Operating Officer (Ms. Gates will become the President and CEO on May 1, 2024)  
Director Nominee | **Not Independent**

Director Since: Nominated for Election at the Meeting

Expertise/Training: Engineering/Geology | Business Executive



Ms. Darlene M. Gates was appointed as President and Chief Executive Officer at MEG Energy on May 1, 2024 and was the Chief Operating Officer of MEG from 2021. Prior to joining MEG in 2021, she served as the President of ExxonMobil Alaska. Ms. Gates has over 30 years of experience in the oil and gas sector, including global leadership roles. Ms. Gates has progressed through many technical, managerial, financial and operating positions in Canada, US, Germany, and Qatar, leading to running Imperial Oil's Cold Lake asset, one of the largest thermal in-situ operations in the world

Darlene holds a Bachelor of Mechanical Engineering degree from the University of Victoria and is a registered professional engineer in Alberta. Ms. Gates is a member of the RCAF Command Advisory Council and 4 Wing's Honorary Colonel. She has also been on numerous charitable and industry boards.

### 2023 Board and Committee Memberships<sup>(4)</sup>



Board of Directors

Attendance<sup>(4)</sup>  
N/A

Total<sup>(4)</sup>  
N/A

### Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

Votes FOR<sup>(4)</sup>  
N/A  
N/A

Votes WITHHELD<sup>(4)</sup>  
N/A  
N/A

### Other Company Boards



Public  
None

Private  
None

### Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
	Vested (Shares)	Unvested (RSUs + PSUs)	
31,004 Shares	\$896,326	-	Yes
124,040 RSUs	-	\$3,585,996	
182,672 PSUs	-	\$5,281,048	
<b>Total</b>	<b>\$896,326</b>	<b>\$8,867,044</b>	<b>Total Value of Securities Held</b> <b>\$9,763,370</b>

See "Notes to Information on Director Nominees" on page 18.

## Gary A. Bosgoed

Age: 65  
 Residence: Edmonton, Alberta, Canada  
 Positions/Offices Held: Director | **Independent**  
 Director Since: July 1, 2022  
 Expertise/Training: Engineering/Geology | Business Executive | Political/Regulatory



Mr. Gary A. Bosgoed is the President and CEO of Bosgoed Project Consultants Ltd., a management consulting, consulting engineering and project management company. Mr. Bosgoed has over 40 years of consulting experience, specializing in project delivery, business advisory services and community engagement on capital projects. Mr. Bosgoed served as a Senior Vice President of WorleyParsons' Edmonton Office from 2012 to 2015 and prior thereto was the Vice President, Business Services and Systems from 2008. Mr. Bosgoed was a founding director of Circle Energy Inc., a Calgary-based public oil and gas exploration company. Mr. Bosgoed currently serves as a Vice Chair of the Alberta Indigenous Opportunities Corporation and as chair of its Governance and Nominations Committee and is a member of its Audit and Risk Committee. Mr. Bosgoed is also a director of Capital Power Corporation and was Vice Chair of the University of Regina Board of Governors until January 2023.

Mr. Bosgoed holds a Bachelor of Applied Science degree in Industrial Systems Engineering from the University of Regina and is a registered Professional Engineer in Alberta and Saskatchewan. Mr. Bosgoed holds the Public Sector Governance (PSGov) designation. He is a member of the Peepeekisis First Nation and has served as Chair of the Alberta Capital Region United Way Campaign, and as director of both the Alberta Electric System Operator (AESO) and the National Aboriginal Economic Development Board.

### 2023 Board and Committee Memberships



Board of Directors  
 GNC  
 HSERC

#### Attendance

9/9  
 3/3  
 5/5

#### Total

100%  
 100%  
 100%

### Past Voting Results



2023 Annual Meeting  
 2022 Annual Meeting

#### Votes FOR

#	%
162,624,279	99.78%
N/A	

#### Votes WITHHELD

#	%
350,532	0.22%
N/A	

### Other Company Boards



**Public**  
 Capital Power Corporation

**Private**  
 Alberta Indigenous Opportunities Corporation

### Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
	Vested (Shares + DSUs)	Unvested (RSUs)	
446 Shares	\$12,894	-	On track
11,771 DSUs	\$340,300	-	
1,776 RSUs	-	\$51,344	
<b>Total</b>	<b>\$353,193</b>	<b>\$51,344</b>	<b>Total Value of Securities Held</b> <b>\$404,538</b>

See "Notes to Information on Director Nominees" on page 18.

## Robert B. Hodgins

Age: 72

Residence: Calgary, Alberta, Canada

Positions/Offices Held: Director | **Independent**  
Chair of Audit Committee

Director Since: September 21, 2010

Expertise/Training: Financial/Accounting | Business Executive



Mr. Robert B. 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. Until May 2022, Mr. Hodgins served in a part-time and non-executive advisory role as Senior Advisor, Investment Banking of Canaccord Genuity Corp. (an independent investment bank). 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 and member of the Audit Committee and the Governance Committee of AltaGas Ltd., and a director and Chair of the Board and a member of the Audit Committee, the Human Resources Committee and the Governance Committee of Gran Tierra Energy Inc. Previously, Mr. Hodgins was a director, Chair of the Governance Committee, and member of the Human Resources Committee of Enerplus Corporation. 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.

### 2023 Board and Committee Memberships



Board of Directors  
Audit Committee (Chair)  
GNC

#### Attendance

9/9

4/4

3/3

#### Total

100%

100%

100%

### Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

#### Votes FOR

#

%

#### Votes WITHHELD

#

%

161,524,455 99.11%

146,278,556 95.39%

1,450,356 0.89%

7,070,773 4.61%

### Other Company Boards



**Public**  
AltaGas Ltd.  
Gran Tierra Energy Inc.

**Private**  
None

### Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
	Vested (Shares + DSUs)	Unvested (RSUs)	
17,491 Shares	\$505,665	-	Yes
87,383 DSUs	\$2,526,243	-	
8,253 RSUs	-	\$238,594	
<b>Total</b>	<b>\$3,031,907</b>	<b>\$238,594</b>	
<b>Total Value of Securities Held</b>			<b>\$3,270,502</b>

See "Notes to Information on Director Nominees" on page 18.

## Kim Lynch Proctor

Age: 48

Residence: Calgary, Alberta, Canada

Positions/Offices Held: Director | **Independent**

Director Since: May 3, 2022

Expertise/Training: Financial/Accounting | Business Executive



Ms. Kim Lynch Proctor is an independent businesswoman, and 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 LLP, 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 has also served on the boards of several not for profit organizations. 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.

### 2023 Board and Committee Memberships



Board of Directors  
Audit Committee  
HRCC

#### Attendance

9/9

4/4

4/4

#### Total

100%

100%

100%

### Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

#### Votes FOR

#	%
162,590,511	99.76%
152,401,345	99.38%

#### Votes WITHHELD

#	%
384,300	0.24%
947,987	0.62%

### Other Company Boards



**Public**  
Alaris Equity Partners Income Trust  
Paramount Resources Ltd.

**Private**  
None

### Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>		Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
		Vested (Shares + DSUs)	Unvested (RSUs)	
20,500	Shares	\$592,655	-	Yes
14,554	DSUs	\$420,756	-	
2,960	RSUs	-	\$85,574	
<b>Total</b>		<b>\$1,013,411</b>	<b>\$85,574</b>	<b>Total Value of Securities Held</b>
				<b>\$1,098,985</b>

See "Notes to Information on Director Nominees" on page 18.

# Susan M. MacKenzie

Age: 63

Residence: Calgary, Alberta, Canada

Positions/Offices Held: Director | **Independent**  
Chair of Health, Safety and Environment and Reserves Committee

Director Since: June 17, 2020

Expertise/Training: Engineering/Geology | Business Executive



Ms. Susan M. MacKenzie is a corporate director with over 30 years of energy sector experience. Most recently she was Chief Operating Officer of Oilsands Quest Inc. from April to September 2010. Prior thereto, Ms. MacKenzie spent 12 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, and is a Life Member of the Association of Professional Engineers and Geoscientists of Alberta. She is also a member of the Institute of Corporate Directors and holds the ICD.D designation.

Ms. MacKenzie is currently a director and Chair of the Corporate Governance, Nominating and Risk Committee and member of the Human Resources and Compensation Committee of Precision Drilling Corporation, a director and member of the Health, Safety and Environment and Reserves Committee of Teine Energy Ltd., and a director of Shock Trauma Air Rescue Service (STARS). She is a past director of Enerplus Corporation, Freehold Royalties Ltd., TransGlobe Energy Corporation, and FortisAlberta Inc., the Calgary Women's Emergency Shelter and Safe Haven Foundation as well as numerous for-profit, not-for-profit, private and academic advisory boards.

## 2023 Board and Committee Memberships



Board of Directors  
Audit Committee  
HSERC (Chair)

### Attendance

9/9  
4/4  
5/5

### Total

100%  
100%  
100%

## Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

### Votes FOR

#	%
162,608,448	99.78%
152,241,376	99.28%

### Votes WITHHELD

#	%
366,363	0.22%
1,107,953	0.72%

## Other Company Boards



**Public**  
Precision Drilling Corporation

**Private**  
Teine Energy Ltd.

## Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>		Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
		Vested (Shares + DSUs)	Unvested (RSUs)	
40,000	Shares	\$1,156,400	-	Yes  Total Value of Securities Held \$2,839,483
55,258	DSUs	\$1,597,509	-	
2,960	RSUs	-	\$85,574	
<b>Total</b>		<b>\$2,753,909</b>	<b>\$85,574</b>	

See "Notes to Information on Director Nominees" on page 18.

# Jeffrey J. McCaig

Age: 72

Residence: Calgary, Alberta, Canada

Positions/Offices Held: Director | **Independent**  
Chair of Human Resources and Compensation Committee

Director Since: March 1, 2014

Expertise/Training: Legal | Business Executive



Mr. Jeffrey J. McCaig is the Chair of the Board of directors of Trimac Transportation of which he was CEO until December 31, 2015. Mr. McCaig is also the Chair of the Board of Bantrel Company, a privately owned engineering and construction company. He served on the board of Potash Corporation of Saskatchewan (now Nutrien Ltd.) from January 2001 until May 2017. Mr. McCaig is also a director of Michichi Capital Corp. (TSX-V Capital Pool Company) since June 2021 and Indigena Drilling Inc. since June 2023. 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.

## 2023 Board and Committee Memberships



Board of Directors  
HRCC (Chair)<sup>(5)</sup>  
HSERC

### Attendance

9/9  
4/4  
5/5

### Total

100%  
100%  
100%

## Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

### Votes FOR

#	%
161,014,868	98.80%
152,427,221	99.40%

### Votes WITHHELD

#	%
1,959,943	1.20%
922,108	0.60%

## Other Company Boards



### Public

Michichi Capital Corp.

### Private

Bantrel Company  
Grayhawk Holdings Inc.  
Grayhawk Investment Strategies  
Indigena Drilling Inc.  
Trimac Holdings Ltd.

## Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>		Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
		Vested (Shares + DSUs)	Unvested (RSUs)	
695,821	Shares	\$20,116,185	-	Yes
201,703	DSUs	\$5,831,234	-	
3,329	RSUs	-	\$96,241	
<b>Total</b>		<b>\$25,947,419</b>	<b>\$96,241</b>	
<b>Total Value of Securities Held</b>				<b>\$26,043,660</b>

See "Notes to Information on Director Nominees" on page 18.

## Diana J. McQueen

Age: 62

Residence: Drayton Valley, Alberta, Canada

Positions/Offices Held: Director | **Independent**  
Chair of Governance and Nominating Committee

Director Since: October 6, 2015

Expertise/Training: Business Executive | Political/Regulatory



Ms. Diana J. 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), a director of Aqua Solutions Inc. and was a director of Total Helium Ltd. (TSX-V listed issuer) until January 2024. 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.

### 2023 Board and Committee Memberships



Board of Directors  
GNC (Chair)  
HRCC

#### Attendance

9/9

3/3

4/4

#### Total

100%

100%

100%

### Past Voting Results



2023 Annual Meeting  
2022 Annual Meeting

#### Votes FOR

#

%

160,639,721

98.57%

146,869,025

95.77%

#### Votes WITHHELD

#

%

2,335,090

1.43%

6,480,304

4.23%

### Other Company Boards



**Public**  
None

**Private**  
Aqua Solutions Inc.

### Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
	Vested (Shares + DSUs)	Unvested (RSUs)	
39,826 Shares	\$1,151,370	-	Yes
119,898 DSUs	\$3,466,251	-	
3,329 RSUs	-	\$96,241	
<b>Total</b>	<b>\$4,617,621</b>	<b>\$96,241</b>	
<b>Total Value of Securities Held</b>			<b>\$4,713,862</b>

See "Notes to Information on Director Nominees" on page 18.

## Robert R. Rooney, K.C.

Age: 67

Residence: Calgary, Alberta, Canada

Positions/Offices Held: Director Nominee | **Independent**

Director Since: Nominated for Election at the Meeting

Expertise/Training: Legal | Business Executive | Political/Regulatory



Mr. Robert R. Rooney has over 40 years of energy sector experience, holding roles of senior executive, advisor, founder, director, and chairman of public and private entities. Mr. Rooney is currently an Executive Advisor with Enbridge Inc. From 2017 to 2023, Mr. Rooney was the Executive Vice-President and Chief Legal Officer of Enbridge Inc., where he was responsible for the legal, ethics and compliance, security and aviation teams. Prior to joining Enbridge, Mr. Rooney was Managing Director of Rimrock Oil and Gas. Previous to that, he was Executive Vice-President, Corporate of Talisman Energy Inc., then served as Vice-Chairman and Director of Repsol Oil & Gas Canada Inc. In addition, Mr. Rooney was a partner at Bennett Jones LLP, where he was a member of the executive committee and co-leader of the Energy and Natural Resources Group.

Mr. Rooney has significant experience in strategic planning and execution, capital allocation, leadership and management, mergers and acquisitions, corporate finance, domestic and cross border transactions, business functions and operations, enterprise risk management, corporate governance, and government and stakeholder relations.

Mr. Rooney is currently Chair of Canada's Sports Hall of Fame. He is also a member of the Law Society of Alberta and was awarded a King's Counsel designation in 2012.

### 2023 Board and Committee Memberships<sup>(6)</sup>



Board of Directors

Attendance  
N/A

Total  
N/A

### Past Voting Results<sup>(6)</sup>



2023 Annual Meeting  
2022 Annual Meeting

Votes FOR  
N/A  
N/A

Votes WITHHELD  
N/A  
N/A

### Other Company Boards



Public  
None

Private  
None

### Securities Held as at March 8, 2024



Securities Held <sup>(2)</sup>	Value of Securities Held <sup>(3)</sup>		Complies with Share Ownership Guidelines <sup>(3)</sup>
	Vested (Shares + DSUs)	Unvested (RSUs)	
14,000 Shares	\$404,740	-	On Track
- DSUs	\$-	-	
- RSUs	-	\$-	
<b>Total</b>	<b>\$404,740</b>	<b>\$-</b>	
			<b>Total Value of Securities Held</b>
			<b>\$404,740</b>

#### Notes to Information on Director Nominees:

- (1) Mr. McFarland was appointed as the Chair of the Board and ceased to be a member of the GNC, HRCC and HSERC on November 7, 2023. As Chair of the Board, Mr. McFarland attends all committee meetings in an ex-officio capacity.
- (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 8, 2024. For purposes of measuring compliance with the Corporation's share ownership guidelines, Shares, DSUs and RSUs are valued based on \$28.91, the March 8, 2024 closing price of Shares on the TSX. PSUs are excluded from these calculations.



- (4) Ms. Gates is nominated for election as a director at the Meeting and did not serve as a director in 2023. Ms. Gates will become President and CEO of the Corporation on May 1, 2024. If elected, Ms. Gates will not be a member of any of the Board's committees but will, in her capacity as the President and CEO of the Corporation, be invited to attend the meetings of all Board committees. At each such meeting, the members of the committee, all of whom are independent, will also meet in-camera without Ms. Gates present.
- (5) Mr. McCaig was appointed as Chair of the HRCC on May 1, 2023.
- (6) Mr. Rooney is nominated for election as a director at the Meeting and did not serve as a director in 2023.

## 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*

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.

### *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 the "Corporate Governance Practices" section beginning on page 50.

## 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 HRCC's recommendations. The HRCC regularly reviews the compensation of independent directors and recommends to the Board such adjustments as it considers appropriate and necessary to recognize the workload, time commitment and responsibilities of the Board and committee members and to remain competitive with director compensation trends.

### Director Compensation Structure

The 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 (as defined herein), 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 their annual base cash retainer in DSUs, and each director may elect to receive up to 50% of their annual equity retainer in the form of RSUs and the balance (up to 100%) in the form of DSUs.

In 2023, the HRCC retained the services of Meridian Compensation Partners ("Meridian") to provide expertise and advice on a compensation market review for independent directors. The review confirmed that the compensation of the Corporation's independent directors is aligned to the median of its compensation peer group and, accordingly, no changes were made.

During 2023, the Corporation's President and CEO, Mr. Derek Evans, did not receive compensation for serving as a director of the Corporation. For information regarding the compensation received by Mr. Evans in 2023 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:

Fees for Independent Directors	Chair	Member
<b>Board</b>		
Annual Base Cash Retainer <sup>(1)(2)</sup>	\$165,000	\$70,000
Annual Equity Retainer <sup>(3)</sup>	\$150,000	\$130,000
<b>Committee</b>		
Annual Retainer for Audit Committee	\$20,000	\$10,000
Annual Retainer for All Other Committees	\$15,000	\$7,000

**Notes:**

- (1) Directors may elect to receive up to 100% of their annual base cash retainer in the form of DSUs. DSUs are granted annually.
- (2) Annual base cash retainers, whether satisfied through cash payments or the issuance of DSUs, are pro-rated for periods of partial service.
- (3) Directors may elect to receive up to 50% of their annual equity retainer in the form of RSUs with the balance (up to 100%) in the form of DSUs. RSUs and DSUs are 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 with the balance in the form of DSUs. 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 entitled to receive the cash equivalent of the then current market price per Share as calculated in accordance with and on the timelines defined in 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, 2023. Disclosure regarding Mr. Evans' compensation can be found under "Summary Compensation Table - NEOs" on page 39. For a detailed breakdown of fees earned by independent directors, see "Detailed Director Compensation".

Director	Fees Earned <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Total Compensation <sup>(3)</sup> (\$)
Gary A. Bosgoed	14,000	200,000	214,000
Ian D. Bruce <sup>(4)</sup>	137,500	150,000	287,500
Robert B. Hodgins	97,000	130,000	227,000
Kim Lynch Proctor	17,000	200,000	217,000
Susan M. MacKenzie	95,000	130,000	225,000
Jeffrey J. McCaig	19,333	200,000	219,333
James D. McFarland <sup>(5)</sup>	103,666	137,500	241,166
Diana J. McQueen	92,000	130,000	222,000

**Notes:**

- (1) "Fees Earned" includes the annual base cash retainer plus committee chair and membership fees for the year. Directors may elect to receive up to 100% of their annual base cash retainer in the form of DSUs (in which case the portion of the annual base cash retainer received in the form of DSUs are reflected in the column "Share-Based Awards"). Director elections for 2023 base cash retainers were as follows:

Director	Cash	DSUs
Gary A. Bosgoed	-	100%
Ian D. Bruce	100%	-
Robert B. Hodgins	100%	-
Kim Lynch Proctor	-	100%
Susan M. MacKenzie	100%	-
Jeffrey J. McCaig	-	100%
James D. McFarland	100%	-
Diana J. McQueen	100%	-

- (2) Share-based awards were granted pursuant to the RSU Plans and DSU Plan in 2023 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 on the TSX 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) Mr. Bruce was a director of the Corporation until his death on October 16, 2023.
- (5) Mr. McFarland was appointed Chair of the Board on November 7, 2023. Accordingly, Mr. McFarland's compensation includes an increase to reflect his role as Chair of the Board for the period November 7, 2023 to December 31, 2023.

## Detailed Director Compensation

Below is a detailed breakdown of the fees earned by independent directors for the year ended December 31, 2023. Disclosure regarding compensation paid to Mr. Evans, who served as the Corporation's President and CEO during 2023, can be found under "Summary Compensation Table - NEOs" on page 39.

Director	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 (\$)					
Gary A. Bosgoed	-	70,000	-	14,000	84,000	-	130,000	130,000	214,000
Ian D. Bruce <sup>(3)</sup>	137,500	-	-	-	137,500	-	150,000	150,000	287,500
Robert B. Hodgins	70,000	-	20,000	7,000	97,000	65,000	65,000	130,000	227,000
Kim Lynch Proctor	-	70,000	-	17,000	87,000	65,000	65,000	130,000	217,000
Susan M. MacKenzie	70,000	-	15,000	10,000	95,000	65,000	65,000	130,000	225,000
Jeffrey J. McCaig <sup>(4)</sup>	-	70,000	10,000	9,333	89,333	-	130,000	130,000	219,333
James D. McFarland <sup>(5)</sup>	85,833	-	5,000	12,833	103,666	68,750	68,750	137,500	241,166
Diana J. McQueen	70,000	-	15,000	7,000	92,000	-	130,000	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 2023 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 on the TSX for the five trading days prior to the grant date.
- (3) Mr. Bruce was a director of the Corporation until his death on October 16, 2023.
- (4) Mr. McCaig replaced Mr. McFarland as Chair of the HRCC effective May 1, 2023.
- (5) Effective May 1, 2023, Mr. McFarland was appointed as a member of the GNC. On November 7, 2023, Mr. McFarland became the Chair of the Board and ceased to be a member of the GNC, HRCC and HSERC. Accordingly, Mr. McFarland's compensation includes adjustments to reflect his role as Chair of the Board for the period November 7, 2023 to December 31, 2023.

The table below sets forth the number of RSUs and DSUs granted to independent directors for the year ended December 31, 2023, based on their individual elections.

Director <sup>(1)</sup>	Base Retainer		Equity Retainer			
	Taken as DSUs		Taken as RSUs		Taken as DSUs	
	Percent (%)	Units (#)	Percent (%)	Units (#)	Percent (%)	Units (#)
Gary A. Bosgoed	100	3,188	-	-	100	5,290
Ian D. Bruce	-	-	-	-	100	6,831
Robert B. Hodgins	-	-	50	2,960	50	2,960
Kim Lynch Proctor	100	3,188	50	2,960	50	2,960
Susan M. MacKenzie	-	-	50	2,960	50	2,960
Jeffrey J. McCaig	100	3,188	-	-	100	5,290
James D. McFarland <sup>(2)</sup>	-	-	50	3,109	50	3,109
Diana J. McQueen	-	-	-	-	100	5,290

**Notes:**

- (1) All RSUs and DSUs granted in 2023 to independent directors were granted on March 15, 2023 using the volume weighted average price of the Shares on the TSX for the five trading days prior to the grant date.
- (2) Mr. McFarland was appointed as Chair of the Board on November 7, 2023 and received a grant of RSUs in the amount \$3,750 and DSUs in the amount of \$3,750 on December 7, 2023 using the volume weighted average price of the Shares on the TSX for the five trading days prior to the grant date, reflecting an adjustment in his compensation for the period November 7, 2023 to December 31, 2023.

## 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, 2023, 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. Since June 2, 2016, independent directors have not been eligible to participate in the Option Plan.

Director	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> (\$)
Gary A. Bosgoed	1,776	42,038	11,771	278,620
Ian D. Bruce	-	-	73,992	1,751,391
Robert B. Hodgins	8,253	195,349	87,383	2,068,356
Kim Lynch Proctor	2,960	70,063	14,554	344,493
Susan M. MacKenzie	2,960	70,063	55,258	1,307,957
Jeffrey J. McCaig	3,329	78,797	201,703	4,774,310
James D. McFarland <sup>(5)</sup>	3,109	73,590	139,077	3,291,953
Diana J. McQueen	3,329	78,797	119,898	2,837,986

**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, 2023, closing price of the Shares on the TSX (\$23.67).
- (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, 2023, closing price of the Shares on the TSX (\$23.67).
- (5) Mr. McFarland was appointed as Chair of the Board on November 7, 2023 and received a grant of RSUs in the amount \$3,750 and DSUs in the amount of \$3,750 on December 7, 2023 using the volume weighted average price of the Shares on the TSX for the five trading days prior to the grant date, reflecting an increase in his compensation for the period November 7, 2023 to December 31, 2023.

## 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, 2023, and non-equity incentive plan compensation earned by such directors during the year ended December 31, 2023. Since June 2, 2016, independent directors have not been eligible to participate in the Option Plan.

Director	Value Vested During Year (\$)		
	Option-Based Awards	Share-Based Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation
Gary A. Bosgoed	-	216,439	-
Ian D. Bruce	-	365,470	-
Robert B. Hodgins	-	360,266	-
Kim Lynch Proctor	-	135,010	-
Susan M. MacKenzie	-	65,002	-
Jeffrey J. McCaig	-	510,240	-
James D. McFarland	-	68,767	-
Diana J. McQueen	-	191,638	-

**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 2023 plus the value of RSUs vested during 2023 (which includes the final 1/3 of RSUs granted in 2020, the second 1/3 of RSUs granted in 2021 and the first 1/3 of RSUs granted in 2022). The value of DSUs was calculated by multiplying the number of DSUs granted by the market price of Shares 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 of Shares 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 values also reflect the choices by individual directors to receive their annual base cash retainer and annual equity retainer in DSUs and/or RSUs in the current and prior years.

## Director Share Ownership Guidelines

The Board's commitment to the success of the Corporation and the alignment of their interests with those of Shareholders are reflected in the Share Ownership Guidelines the Corporation has in place for its independent directors (the "Director Guidelines"). 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 five years from the effective date of the Director Guidelines in the case of existing directors and within five years of a director's election to the Board in the case of a new director. Compliance will be determined based on a valuation at the end of each calendar year.

Each independent director must retain all Shares owned by the director and must retain in Shares the after-tax proceeds received on the settlement of treasury-settled RSUs until the target ownership level is met. Provided that the target ownership level has been met and 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 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 TSX 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 as at December 31, 2023.

Director	Ownership Requirement (\$)	As of December 31, 2023				Value of Equity Investment <sup>(1)</sup> (\$)	Complies with Guidelines <sup>(2)</sup>	To be Achieved By
		Shares (#)	DSUs (#)	RSUs (#)				
Gary A. Bosgoed	600,000	446	11,771	1,776	331,214	On track	July 1, 2027	
Robert B. Hodgins	600,000	17,491	87,383	8,253	2,677,716	Yes	Achieved	
Kim Lynch Proctor	600,000	20,500	14,554	2,960	899,791	Yes	Achieved	
Susan M. MacKenzie	600,000	40,000	55,258	2,960	2,324,820	Yes	Achieved	
Jeffrey J. McCaig	600,000	695,821	201,703	3,329	21,323,191	Yes	Achieved	
James D. McFarland	945,000	5,209	139,077	3,109	3,488,840	Yes	Achieved	
Diana J. McQueen	600,000	39,826	119,898	3,329	3,859,465	Yes	Achieved	

#### Notes:

- (1) "Value of Equity Investment" is calculated using the December 31, 2023, closing price of the Shares on the TSX (\$23.67).
- (2) Pursuant to the Director Guidelines, each director is required to achieve the Director Guidelines within five years from the effective date of the Director Guidelines in the case of existing directors and within five years of 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, which provides that all DSUs granted to the director in respect of the year of resignation will vest and be paid out in accordance with the terms of the DSU Plan 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. See "Appendix B - Summary of DSU Plan, Option Plan and RSU Plans".

## Executive Compensation

### Letter from our Human Resources and Compensation Committee

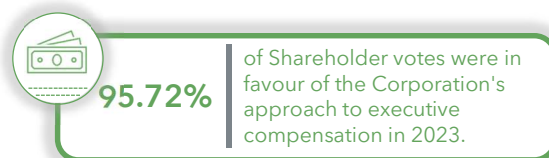
Dear Fellow Shareholders:

The Human Resources and Compensation Committee (the "HRCC") is pleased to provide you with an overview of the Corporation's performance in 2023 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 both to corporate performance and individual achievements. The majority of Executive target pay is at risk, ranging from 78% to 87% depending on executive level, 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.



#### 2023 Executive Compensation Decisions

At the beginning of 2023 the Board approved a base salary increase for all employees, including the Corporation's NEOs, in order to reflect market salary increases and in order to position these roles at approximately the 50<sup>th</sup> percentile for comparable roles within the Corporation's Compensation Peer Group. The salary increase aligned with the strong Shareholder experience in 2022 and reflected the strong operational and financial performance of the Corporation during 2022, which saw the Corporation achieve record production notwithstanding unforeseen operational and supply chain challenges and unexpected high inflation.

The Corporate Performance Scorecard for 2023 approved by the Board in early 2023 focused on the execution of the Corporation's capital allocation strategy and the delivery of safe and reliable operations from the Christina Lake asset through investments in its Safety Leadership Development Program and its Operational Excellence initiatives. The Scorecard also emphasized the Corporation's ESG priorities including: a continued focus on advancing the decarbonization initiatives; human capital development; and diversity, equity and inclusion efforts.

The Corporation had very strong operational and financial performance in 2023, along with strong performance on ESG matters, all of which contributed to a very positive Shareholder experience. The Corporation achieved annual bitumen production of over 100,000 barrels per day for the first time in its history at a steam-oil ratio (SOR) of 2.27 and generated nearly \$1 billion annual free cash flow. These production results and improved SOR reflect the Corporation's focus on operational excellence and innovation in its operations and on safety culture and safety leadership, with the Corporation completing the largest turnaround in its history with no recordable injuries and with the lowest incident rate in the last five years in its drilling and completions activities during the year. In addition, the Corporation continued to execute on its capital allocation strategy, including repaying approximately US\$322 million (approximately \$437 million) of debt and completing approximately \$446 million in share buybacks. The Corporation also published its third ESG report, launched a Diversity, Equity and Inclusion education and awareness campaign, and continued to progress the pre-work on the proposed carbon capture and storage project through its participation in the Pathways Alliance. These results helped the Corporation deliver strong TSR performance of more than 37% in 2023.

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 scorecard category. After consideration of the results for the Corporation's 2023 Corporate Performance Scorecard and taking into account the overall financial and operational performance of the Corporation in 2023, the Board elected to approve the 2023 Corporate Performance Scorecard results on an unadjusted basis.

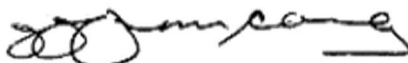
## CEO Compensation

Compensation of the Corporation's CEO, Derek Evans, for 2023 was determined based upon an analysis of the Corporation's Compensation Peer Group with the goal of aligning compensation to the median of the Compensation Peer Group and the Corporation's compensation philosophy. The CEO's annual performance bonus was determined based upon the Corporate Performance Scorecard and an evaluation of Mr. Evans' performance against the CEO objectives that were approved by the Board in early 2023. The CEO objectives were primarily focused on health and safety developments, optimization of existing plant capacity, progress on decarbonization initiatives, development of the Corporation's return of capital plan, talent development, and the Corporation's workplace culture and employee experience. The CEO evaluation process reflects current governance best practices and includes a self-assessment by the CEO and an assessment of performance by each independent director. Mr. Evans' 2023 individual performance rating as adopted by the Board was 200% out of 200%, resulting in a bonus award of \$1,017,120, or 156% of the target STI award opportunity (i.e., 80% weighted to Corporate Scorecard Performance factor of 145% and 20% to individual performance rating of 200%). No discretionary adjustment was made to the CEO's annual STI award in 2023. The details of the Board's evaluation of Mr. Evans' 2023 performance can be found under the heading "*Individual Performance of CEO*".

## Looking Forward

I would like to extend my sincere thanks to Mr. Evans who will be stepping down as President and Chief Executive Officer effective May 1, 2024. Mr. Evans led MEG's transformation during his tenure, improving its balance sheet, focusing on disciplined capital allocation, improving efficiencies, delivering value to Shareholders and reshaping the Corporation's long-term strategy. The Board looks forward to Ms. Gates continuing to execute the Corporation's strategic focus in 2024 with the continued execution of its capital allocation strategy and the anticipated shift to returning 100% of free cash flow returns to Shareholders once we reach our net debt target, as well as continuous improvement in our safety leadership and operational excellence programs as we commence our investments in modest growth. The Board believes that the Corporation's compensation program will deliver on these strategic goals and will deliver long-term value to our Shareholders.

On behalf of the HRCC, 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 HRCC 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.



**JEFFREY J. McCAIG**

Human Resources and Compensation Committee Chair

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# Compensation Discussion and Analysis

## Executive Summary

In 2023, the Corporation achieved annual bitumen production of over 100,000 barrels per day for the first time in its history at a steam-oil ratio (SOR) of 2.27 and generated nearly \$1 billion annual free cash flow. These production results and improved SOR reflect the Corporation's continued focus on short-cycle redevelopment programs, enhanced completion designs, optimized well spacing and targeted facility enhancements. In addition, the Corporation continued to execute on its capital allocation strategy, including repaying approximately US\$322 million (approximately \$437 million) of debt and completing approximately \$446 million in share buybacks. These strong results also reflect the Corporation's focus on safety culture and safety leadership with the Corporation completing the largest turnaround in its history with no recordable injuries and achieving its lowest incident rate in the last five years in its drilling and completions activities during 2023.

### **Financial Results**

The Corporation's significant financial accomplishments during 2023 include:

- Annual free cash flow of \$953 million;
- Debt repayment of US\$322 million (approximately \$437 million); and
- Return of \$446 million to Shareholders through the buyback of 19 million shares for cancellation pursuant to the Corporation's normal course issuer bid.

### **Operational Results**

The Corporation's significant operational accomplishments during 2023 include:

- Increased production throughout 2023 to exit the year at annual bitumen production volumes of 101,425 barrels per day, representing a 6% increase over 2022; and
- Increased production at a lower SOR of 2.27 in 2023, representing a 4% decrease over 2022.

These operational results reflect the Corporation's continued focus on operational excellence and were accomplished with an enhanced field development strategy and completion designs, optimized inter-well spacing, short-cycle high return redevelopment projects and steam allocation techniques that are lowering field SOR and associated GHG intensity.

### **Environmental, Social and Governance Activities**

In 2023, the Corporation implemented its Operations Excellence Management System ("OEMS"), a new corporate management system developed to guide all activities which affect the Corporation's health, safety and environmental performance. The system sets out the processes and procedures that the Corporation uses in its daily activities to create a workplace where serious incidents are eliminated and to advance the Corporation's vision of "Nobody Gets Hurt". In addition, during 2023, the Corporation implemented its new emergency response program, which aligns with global best practices and uses technology applications to capture improved effectiveness and efficiencies.

The Corporation continued to advance its implementation of its Safety Leadership Development Program, including the design and formalization of a safety leadership performance indicator (SLPI) system and the adoption of the program throughout the organization. Some key elements of the program include position-based task hazard assessments, SLPI evaluations in shift meetings, toolbox talks and field verifications, a revised site orientation process, an improved observation and workplace assessment system, and the completion of a contractor safety culture assessment.

Also in 2023, the Corporation published its third ESG report, which discusses its foundational commitments of Business Model Resilience and Governance and the Corporation's priority ESG topics: Health and Safety; Climate Change and GHG Emissions; Water Management; Energy Security; Energy Affordability; and Indigenous Relations. The ESG report illustrates progress in several areas, including the establishment of a new mid-term absolute GHG emissions<sup>1</sup> reduction target of 0.63 megatonnes per annum by year-end 2030 (which represents approximately 30% of the Corporation's 2019 GHG emissions); \$72 million spent on goods and services provided by Indigenous businesses in 2022 (a 30% increase over 2021); and the launch of the Corporation's Diversity, Equity and Inclusion education and awareness campaign focused on ensuring that every team member is valued, respected and heard to enhance decision making, innovation, employee engagement and the Corporation's long-term success.

The Corporation, along with its Pathways Alliance peers, continued to progress pre-work on the proposed foundational carbon capture and storage ("CCS") project, which will transport CO<sub>2</sub> via pipeline from multiple oil sands facilities to be stored safely and permanently underground in the Cold Lake region of Alberta. The Pathways Alliance continues to advance detailed evaluations of the proposed carbon storage hub and is working to obtain a carbon sequestration agreement from the Alberta Government in the first half of 2024 to support regulatory submissions. In addition, the Pathways Alliance continues to advance engineering work, environmental field programs to minimize the project's environmental disturbance, and consultations with Indigenous and local communities along the proposed CO<sub>2</sub> transportation and storage network corridor. The Pathways Alliance continues to work collaboratively with both the federal and Alberta governments on the necessary policy and co-financing frameworks required to move the project forward.

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<sup>1</sup> Scope 1 and scope 2 emissions



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

The Corporation's strong performance in 2023 is reflected in its 2023 Corporate Performance Scorecard results. 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 scorecard category. After consideration of the results for the Corporation's 2023 Corporate Performance Scorecard, and taking into account the overall financial and operational performance of the Corporation in 2023, the Board elected to approve the 2023 Corporate Performance Scorecard results on an unadjusted basis.

## 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 HRCC*

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 HRCC. With respect to the compensation of the CEO, the Board solicits a recommendation from the HRCC alone which incorporates the CEO's self-assessment and assessment of performance from each independent director.

The HRCC is comprised of three independent directors: Jeffrey J. McCaig (Chair), Kim Lynch Proctor and Diana J. McQueen. Members of the HRCC 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 HRCC is set out under "*Corporate Governance Practices - Skills Assessment and Nomination*".

The HRCC'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, 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, 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 2023 compensation review process, the HRCC 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 2023 to:

- Review the Corporation's compensation peer group (the "Compensation Peer Group"). The Compensation Peer Group is used to assess the competitiveness of the Corporation's compensation programs and policies, establish target incentives and determine total compensation, including base salary, annual STI (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"). The Performance 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 HRCC and to management for the years ended December 31, 2022, and December 31, 2023.

	Mercer		Meridian		Total	
	2022	2023	2022	2023	2022	2023
Executive Compensation Related Fees (\$)	52,591	28,954	56,895	97,169	109,486	122,489
All Other Fees <sup>(1)</sup> (\$)	75,318	99,316	-	-	75,318	99,316
<b>Total (\$)</b>	<b>127,909</b>	<b>128,270</b>	<b>56,895</b>	<b>97,169</b>	<b>184,804</b>	<b>221,805</b>

**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 HRCC, based on these benchmarking results and corporate performance and individual performance of the senior executive. The HRCC then reviews the recommendations and adjusts as appropriate and makes a recommendation to the Board for approval. In the case of the CEO, the HRCC 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 HRCC and Board of executive compensation policies and practices relative to appropriate industry peers;
- The HRCC is comprised entirely of independent directors;
- Meridian is engaged by the HRCC to review the risks associated with the Corporation's compensation programs and Meridian attends all HRCC meetings;
- There are overlaps within the membership of Board committees which ensure that the HRCC has a thorough understanding of the Corporation's enterprise risks when making decisions respecting compensation;
- The Board has the ability to use its informed judgment to adjust incentive payouts;

- Market-aligned Clawback Policy pursuant to which incentive compensation may be clawed back if there is (a) fraud or misconduct of an executive, (b) resulting in a restatement of financials, and (c) an overpayment of compensation;
- 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 ESG, financial and operational measures, requiring that results be achieved in a balanced, sustainable manner;
- Awards under the Corporation's annual STI 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, which provide awards of RSUs and PSUs;
- Regular annual awards of share-based compensation provide 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;
- Insider Trading and Disclosure Policy prohibits hedging of Shares and share-based incentives;
- 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 HRCC'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 individual 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 that results in a requirement for 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 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 interests of Shareholders. The share ownership guideline for the President and Chief Executive Officer is five times (5x) annual base salary, three times (3x) annual base salary for the Chief Financial Officer, Chief Operating Officer, and Senior Vice Presidents, and two times (2x) annual base salary for Vice Presidents. These ownership levels are required to be achieved within five years from the date of appointment. In addition, by the end of the applicable five-year period, at least twenty-five (25%) percent of the target ownership level must be met through the ownership of Shares. See "Compensation of Named Executive Officers - Executive Share Ownership Guidelines" for more information on share ownership of the current NEOs.



**New in 2023**

We amended our Share Ownership Guidelines to implement a new requirement that Executives hold and maintain at least twenty-five (25%) percent of the target ownership level through the ownership of Shares. This amendment aligns with good corporate governance practices.

## 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 vs. 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

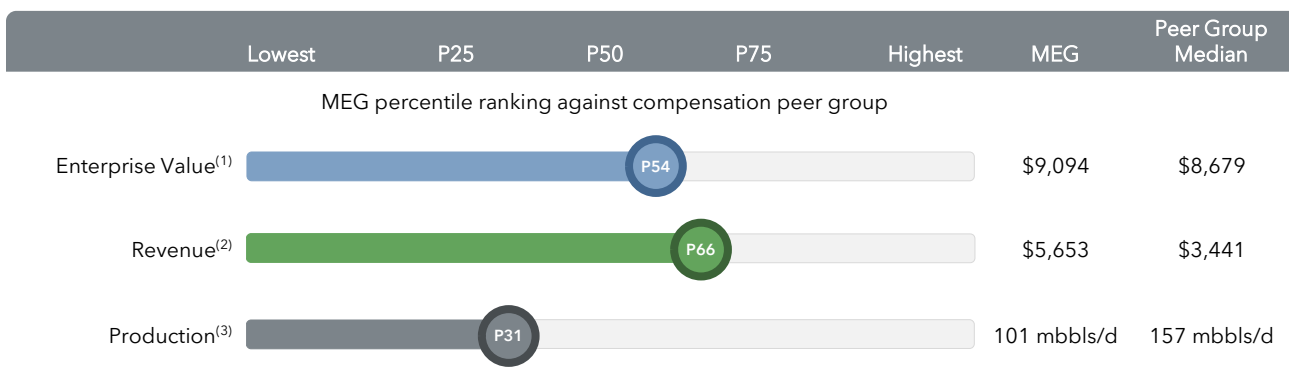
Organizations rarely meet all of the selection criteria, but alignment on most criteria usually indicates that the organization competes with the Corporation for executive talent and is an appropriate peer for compensation benchmarking.

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 2023, the Corporation's Compensation Peer Group consisted of the following 14 companies:

Compensation Peer Group		
ARC Resources Ltd.	Enerplus Corporation	Pembina Pipeline Corporation
Athabasca Oil Corporation	Gibson Energy Inc.	Tourmaline Oil Corp.
Baytex Energy Corp.	Keyera Corp.	Vermilion Energy Inc.
Cenovus Energy Inc.	NuVista Energy Ltd.	Whitecap Resources Inc.
Crescent Point Energy Corp.	Ovintiv 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, 2022.
- (2) Trailing 12-months revenue as of Q3 2023 in \$millions.
- (3) 2023 estimated annual production as of Q3 2023, in thousands of barrels of oil 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 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 2023 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 2023 Performance Peer Group consisted of the following 17 companies:

Performance Peer Group		
ARC Resources Ltd.	Enerplus Corporation	Paramount Resources Ltd.
Athabasca Oil Corporation	Gran Tierra Energy Inc.	Suncor Energy Inc.
Baytex Energy Corp.	Imperial Oil Limited	Tourmaline Oil Corp.
Canadian Natural Resources Limited	NuVista Energy Ltd.	Vermilion Energy Inc.
Cenovus Energy Inc.	Obsidian Energy Ltd.	Whitecap Resources Inc.
Crescent Point Energy Corp.	Ovintiv Inc.	

## Components of Executive Compensation

The compensation package for all executive officers is comprised of base salary, annual STI, participation in the Corporation's long-term incentive (LTI) plans, participation in benefit plans and other nominal perquisites. All salaries, salary increases, STI and long-term incentive grants for the NEOs and other executive officers, as applicable, have been reviewed, considered and recommended by the HRCC 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
<b>Base Salary</b> (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 base salaries of comparable executives within the Compensation Peer Group for executives</li> <li>• Determined by the Board based on recommendation of the HRCC</li> <li>• Informed judgment may be exercised to account for the Shareholder experience when salary increases are being considered.</li> </ul>	<ul style="list-style-type: none"> <li>• Market competitive features designed to attract and retain high performing executives</li> </ul>
<b>Short-Term Incentives   Cash Bonus</b> (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 "<i>Short-Term Incentive Compensation</i>" for targets, corporate vs. individual weighting and 2023 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>

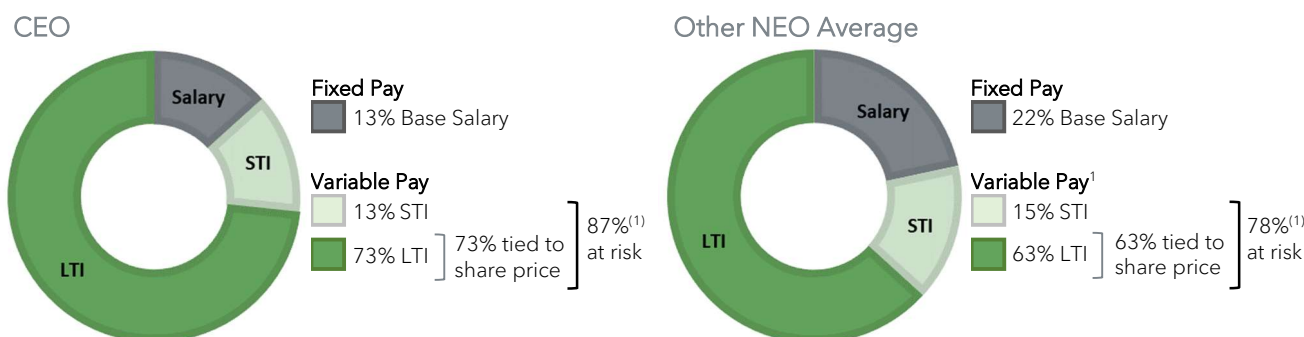
Component and Performance Period	Description	Objective
Long-Term Incentives <sup>(1)(2)</sup>   Restricted Share Units (RSUs) (Variable)   1-3 Years	<ul style="list-style-type: none"> <li>RSU awards vest and are settled in thirds on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> anniversary of 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 determined from the Board from time to time</li> <li>Annual grant</li> </ul>	<ul style="list-style-type: none"> <li>Provide ability to attract and retain talent while ensuring alignment of executive interest with Shareholder interest by linking pay to performance</li> <li>Offer "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> <li>Reward contribution toward high corporate performance</li> <li>Encourage long-term strategic decision making which is aligned with Shareholder interests</li> <li>Using a combination of one-year and three-year performance periods ensures both long-term alignment with Shareholder interests while recognizing 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)(2)</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 after a combination of one-year and three-year performance periods. Satisfaction of performance metrics is measured following completion of each performance period included in a grant and leads to a multiplier between 0x and 2x being applied to the award when it becomes eligible to vest</li> <li>In all instances PSUs vest and payout after three years, based on the multiplier applied to each performance period in a grant</li> <li>The Corporation issued PSUs under both its cash-settled and treasury-settled plans in prior years, as determined by the Board from time to time</li> <li>Annual grant</li> </ul>	<ul style="list-style-type: none"> <li>Using a combination of one-year and three-year performance periods ensures both long-term alignment with Shareholder interests while recognizing 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>
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>	<ul style="list-style-type: none"> <li>Market competitive feature designed to attract and retain high performing executives</li> </ul>

**Notes:**

- (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 - Summary of DSU Plan, Option Plan and RSU Plans".
- (2) The Corporation has not granted Options since 2019.

### Compensation Mix

The following charts illustrate the proportion of 2023 NEO compensation made up of fixed, short-term variable and long-term variable compensation. The HRCC and the Board believe that the heavy weighting on variable (or "at risk") compensation, the use of a balanced set of measures to determine STI payouts, and a mix of LTI instruments supports pay for performance, discourages inappropriate risk taking and fosters retention.



**Note:**

- (1) Totals may not add due to rounding.

## Short-Term Incentive Compensation

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

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

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 2023 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/SVP	75%	75%	25%
VP	50%	70%	30%

### Long-Term Incentive Compensation

In determining the recommended total value of LTI to be granted to each NEO, the HRCC 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 and PSUs awarded to each NEO is then determined by multiplying the total LTI value by the LTI mix percentages which are in place for executives. While the Corporation has an operative Option Plan, Options have not been awarded to NEOs since 2019.

2023 NEO LTI Mix	
PSUs	60%
RSUs	40%

## Changes to Executive Compensation for 2024

### Long-Term Compensation

Based upon the recommendation of the HRCC, the Board maintained the LTI mix percentages in place for executives at 60% PSUs and 40% RSUs for 2024.

### PSU Performance Measures

Also for 2024, based upon the recommendation of the HRCC, the Board continued to use a combination of one-year and three-year performance periods for PSUs issued under the Corporation's RSU Plans. In particular, the 2024 PSU performance measures include a three-year relative TSR performance measure and two one-year measures: the Corporation's steam-oil ratio (SOR) and the execution of the Corporation's strategic initiatives.

## 2023 Compensation Performance

### Measuring 2023 Performance for Short-Term Incentive Compensation

The corporate performance score used in the STI model is determined using targets set out in the Corporation's Corporate Performance Scorecard for the relevant performance year. The Corporate Performance Scorecard sets out measures of the Corporation's business performance in two categories: financial and operational, and ESG. The performance measures are each assigned a weighting and the score for each measure is multiplied by the weighting, then all the weighted scores are added up. The result is an overall performance score between zero and a maximum of 200%.

Following completion of a performance year, the Board, with the advice of the HRCC, reviews the results of the Corporate Performance Scorecard and makes a determination as to the corporate performance score to be applied to the STI calculation for the year, with each component of the Corporate Performance Scorecard eligible for a ranking of zero to a maximum of 200%. 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 relevant factors that may not be reflected in the performance rating for each category. The Board may revise the calculated corporate performance score if, in its application of informed judgment, it deems a revision to be warranted.

### 2023 Corporate Performance Scorecard

The Corporation established and received Board approval of its 2023 Corporate Performance Scorecard in early 2023. The scorecard was comprised of two broad categories with the following weightings: ESG (35%) and Financial and Operational (65%). The ESG category continued MEG's focus on safety and environment and decarbonization, with new metrics added relating to safety culture and safety leadership and the Corporation's diversity, equity and inclusion efforts. The Financial & Operational category reflected the Corporation's ongoing focus on strong operating results and operating costs, with a new metric relating to the Corporation's long-term capital allocation strategy highlighting near-term debt reduction targets and returns to Shareholders.

The Board's assessment of the Corporation's performance relative to the Corporation's 2023 Corporate Performance Scorecard targets is shown in the following table:

Performance Indicator	Target (1x)	Result	Weight	Final Score
<b>ESG Metrics</b>				
Total Recordable Incident Rate	.40	0.39x	5%	110%
Reportable Spill Index	3.0	2x	5%	150%
GHG Compliance Intensity (kg CO <sub>2</sub> /bbl)	58.5	55.8	5%	200%
Safety Culture - Safety Leadership Performance Indicator	1.0	1.75x	8%	175%
Diversity, Equity & Inclusion	1.0	2.0x	7%	200%
Advance Decarbonization Plans	1.0	1.5x	5%	150%
<b>Financial and Operational Metrics</b>				
Free Cash Flow (\$mm) <sup>(1)</sup>	\$525	\$953	20%	200%
Production (bbls/d)	101,500	101,425	25%	97.5%
Non-Energy Operating Costs (\$/bbl) <sup>(2)</sup>	\$5.00	\$5.01	15%	96.0%
Refine Long-Term Capital Allocation Strategy	1.0	1.5x	5%	150%
2023 Calculated Performance Factor (0-200%)				145%
<b>2023 Board Approved Performance Factor (0-200%)</b>				<b>145%</b>

**Notes:**

- (1) Free Cash Flow is a capital management measure. See "Advisories - Non-GAAP Financial Measures and Other Financial Measures" for further details.
- (2) Non-energy Operating Costs is a supplementary financial measure. See "Advisories - Non-GAAP Financial Measures and Other Financial Measures" for further details.

After consideration of the results for the Corporation's 2023 Corporate Performance Scorecard, and taking into account the overall financial and operational performance of the Corporation in 2023, the Board elected to approve the 2023 Corporate Performance Scorecard results on an unadjusted basis.

## 2024 Corporate Performance Scorecard

For 2024, the Corporate Performance Scorecard, approved by the Board in early 2024, is comprised of two categories with weightings as follows: ESG (35%) and Financial and Operational (65%). The ESG category continues to reflect the Corporation's focus on safety and environment and decarbonization, with new metrics added relating to employee experience and diversity, equity and inclusion efforts. The Financial & Operational category reflects the Corporation's ongoing focus on strong operating results and operating costs, with a new metric relating to activating moderate growth.

ESG		Financial and Operational	
Weight	Performance Indicator	Weight	Performance Indicator
<b>35%</b>	Total Recordable Incident Rate	<b>65%</b>	Free Cash Flow (\$mm) <sup>(1)</sup>
	Safety Culture		Production (bbls/d)
	Reportable Spill Index		Non-Energy Operating Costs (\$/bbl) <sup>(2)</sup>
	GHG Compliance Intensity (kg CO <sub>2</sub> /bbl)		Activate Moderate Growth
	Employee Experience (including Diversity, Equity and Inclusion progress)		
	Advance Decarbonization Plans		

**Notes:**


- (1) Free Cash Flow is a capital management measure. See "Advisories - Non-GAAP Financial Measures and Other Financial Measures" for further details.
- (2) Non-energy Operating Costs is a supplementary financial measure. See "Advisories - Non-GAAP Financial Measures and Other Financial Measures" for further details.

## Individual Performance of CEO

The Corporation annually adopts 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 2023 were focused on: health, safety and environment, including the roll out of the Corporation's Safety Leadership Development Program; certain optimization actions; progress on decarbonization initiatives; talent development; long-term return of capital strategy; and federal and provincial support for the Pathways initiative. The 2023 CEO objectives and results are set out in the following table.



2023 Objectives	2023 Targets	2023 Results
<b>Health, Safety &amp; Environment</b>	Continue to roll out and build on safety leadership development. Design and implement a Leading Safety Indicators program. Put in place a Barrier Health Assurance process to measure safety leadership/cultural performance. Operationalize updated Emergency Response Plan.	✓ Significant progress in fundamental programming (OEMS, Process Safety Device PMs, Emergency Response, Incident Investigation Quality); notable performance during turn around (TA); largest event in MEG's history with zero recordable injuries or reportable spills. Safety Leadership Performance Indicators (SLPI) program designed and formalized including assessment, scoring approach and training. ERP upgrade project completed and fully operational in Q423.
<b>Optimization</b>	2023 safe and efficient turnaround execution. Improve unplanned downtime (<2.5%). Increase produced water capacity to 47,500 m3/d.	✓ Strong HSE performance, maintained TA schedule, and exceeded May production volumes despite a compressed planning window and found work. 2023 unplanned downtime above target, improved throughout 2023 as programs matured and proactive surveillance in operations drove improved performance. Improved produced water capacity. Exited 2023 with 110,000 bbls/d production. Continued implementation of SOR strategy drove 4% year-over-year SOR reduction.
<b>Decarbonization</b>	Demonstrate progress on all decarbonization initiatives (SOR reductions, Erase pilot, CL Feed Cost estimate and capture schedule, technology selection, Pathways).	✓ Capture plant process design including finalization of integration/optimization studies completed with Process Design Package delivered from licensor. Capture plant based Class IV cost estimate developed; vetting in process.
<b>Return of capital plan and appropriate long-term debt level</b>	Develop, communicate and prepare to implement a long-term return of capital strategy which is to include long-term debt level. Increase institutional & geographic share ownership.	✓ Repurchased US\$322mm of debt and \$446mm (19mm) shares. NCIB renewed and equity hedge effectively settled. Long-term debt level, return of capital, and production growth strategy analysis complete, recommendations endorsed by Board, and effectively communicated to market. New IR activity, increased institutional ownership and ownership by non-Canadian institutions.
<b>Talent Development</b>	Accelerate skill development and application through targeted learning and development programs and opportunities to ensure talent is equipped for current and future business needs.	✓ Additional operators added to accelerate training for expected future turnover. Reorganization completed in September which accelerated developmental moves. Redesigned Site Safety Orientation to create a blended program through e-Learning and in person. Launched Leader as Coach to train leaders in coaching skills which will elevate their ability to develop their direct reports. Completed targeted training to enhance organizational capability for the Emergency Response Program. Launched Career Conversations Toolkit and eLearn for People Leaders for use as part of Mid-year performance conversations.
<b>Diversity, Equity &amp; Inclusion</b>	Launch DE&I strategy. Maintain ELT accountability for inclusive behaviours. Implement employee experience survey for data-driven understanding of employees' experience. Develop and launch enterprise-wide DE&I education and awareness activities to enhance inclusive leadership behaviours that retain talent from equity-deserving communities. Champion indigenous reconciliation ensuring there is a plan developed and activated for a regular cadence of indigenous awareness activities through the year.	✓ Strategy launched and all 2023 strategy tactics completed. ELT accountability established for inclusive behaviours reflected in their individual performance goals. Employee experience survey participation was significantly above Canadian average (86% of MEG's workforce completed experience survey, with 80% of survey participants completing the voluntary self-identification questionnaire). Launch of enterprise-wide education and awareness offerings with a 92% satisfaction rate with MEG Belonging's education and awareness offerings. Celebrated culturally important events for Canada's Indigenous communities, continued corporate attendance throughout the year at local community events. Indigenous community investment included sponsorship of the construction and development of Whitefish (Goodfish) First Nation multiplex; and Kikino Metis Settlement cemetery revitalization and ground truthing, among other unique donations specific to community cultural needs and requests.

2023 Objectives	2023 Targets	2023 Results
<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 interests of MEG.	 Significant progress on tri-partite Memorandum of Understanding between Pathways, Government of Canada and Government of Alberta. Expect conclusion of MOU in 2024. Meaningful progress on fiscal support for Pathways project. This includes tabling of federal enabling legislation for the CCUS investment tax credit, announcement by the Government of Alberta of the Alberta Carbon Capture Incentive Program and federal Carbon Contracts for Difference program.

In recognition of Mr. Evans' exceptional performance on his objectives, leadership of the organization and successful stewardship of the development of his successor, Mr. Evans' 2023 individual performance rating, as adopted by the Board, was 200% out of 200%. This resulted in a bonus award of \$1,017,120, or 156% of the target STI award opportunity (i.e., 80% weighted to the corporate performance rating of 145% and 20% to individual performance rating of 200%). No discretionary adjustment was made to the CEO's annual STI award in 2023.

The 2024 CEO objectives, as approved by the Board in November 2023, are set out in the following table:

2024 Objectives	2024 Targets
<b>Health, Safety &amp; Environment</b>	Drive a sustained reduction in recordable injuries through focus on safety leadership and contractor engagement. Maturing Safety Leadership behaviors and culture with visible empowerment and developing consistency. Drive continuous improvement in process safety and effectiveness of asset integrity programs. Integrate Operations Excellence Management Systems into the way we do our work.
<b>Operational Excellence</b>	Deliver the 2024 development plan to increase production to 105,000 bbls/d. Improve sustaining capital efficiency to provide the highest returns to Shareholders. Deliver first Pad X design with cost improvements; continuous improvement of project planning and execution. Continuous improvement of maintenance and turnarounds to lower unit operating cost.
<b>Growth</b>	Deliver multi year investments to increase production capacity by 15,000 bbls/d. in 2026. Execute on options to grow steam capacity through addition of 5th & 6th OTSG. Effectively communicate with investors plans for growth. Optimize subsurface development. Improve project management governance systems. Integrate marketing strategy with plans for growth.
<b>Talent Development</b>	Create clarity to drive consistent leadership behaviours to deliver desired culture and results. Build on momentum in DEI Strategy Execution. Close internal succession gaps. Improve employee engagement. Ensure performance management process enables talent development and drives constructive performance conversations.
<b>External Influence</b>	Secure government financial support and regulatory framework required to invest in capital to reach MEG's net zero GHG target. Advance funding and regulatory framework to position Pathways for FID.
<b>Decarbonization</b>	Progression of the Design of the CL CCS Facility. Pathways Foundational Project. Future Net Zero Technology Advancement.

## Individual Performance of other NEOs

STI awards for the NEOs, excluding the CEO, are recommended by the CEO, reviewed by the HRCC 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 164% out of 200%, which, weighted with a corporate performance factor of 145%, resulted in annual performance bonus awards of 76% to 116% of base salary. No discretionary adjustments were made to the annual STI award for any NEO in 2023.

## Measuring 2023 Performance for Long-Term Incentive Compensation

PSUs issued to executives prior to 2022 cliff vest on the third anniversary of the grant date and settle only on achievement of specified levels of performance as measured against one-year performance measures set in each of the three years during the term of the PSUs. PSUs issued to executives in 2022 and subsequent years cliff vest on the third anniversary of the grant date and settle on achievement of specified levels of performance as measured against a combination of one-year performance measures set in each of the three years during the term of the PSUs and three-year performance measures set at the beginning of the three-year term of the PSUs. Details of the performance measures and performance periods are outlined in the table below:

Grant Year	Measure	Performance Periods	Weighting	Vesting Period
2021	One-year measures set annually by the Board in 2021, 2022 and 2023	January 1, 2021 to December 31, 2021	33.33%	3 years
		January 1, 2022 to December 31, 2022	33.33%	
		January 1, 2023 to December 31, 2023	33.33%	
2022	One-year measures set annually by the Board in 2022, 2023, 2024	January 1, 2022 to December 31, 2022	13.33%	3 years
		January 1, 2023 to December 31, 2023	13.33%	
		January 1, 2024 to December 31, 2024	13.33%	
	3-year Relative TSR	January 1, 2022 to December 31, 2024	60.00%	
2023	One-year measures annually by the Board in 2023, 2024 and 2025	January 1, 2023 to December 31, 2023	13.33%	3 years
		January 1, 2024 to December 31, 2024	13.33%	
		January 1, 2025 to December 31, 2025	13.33%	
	3-year Relative TSR	January 1, 2023 to December 31, 2025	60.00%	

For each measure, the Board approves a threshold, target and maximum level of performance that results 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 cancelled. Similarly, PSUs with a three-year performance period that do not become eligible to vest at the end of the three-year performance period will not vest and are cancelled.

The table below provides detailed information with respect to annual PSU performance measures set by the Board and the calculations for each of the 2021, 2022 and 2023 performance years:

Grant Year	3-Year Average Multiplier <sup>(1)</sup>	PSU Factor (Weight%)	PSU Multipliers				
			2021 <sup>(2)</sup>	2022 <sup>(3)</sup>	2023 <sup>(4)</sup>	2024	2025
2021	1.35	1-Year Relative TSR (60%)	1.36	0.44	2.00		
		Operational/Financial (40%)	2.00	1.00	1.46		
		Annual Blended PSU Multiplier	1.62	0.66	1.78		
2022	TBD	3-Year TSR (60%)			<sup>(5)</sup>		
		Operational/Financial (40%)		1.00	1.46	<sup>(6)</sup>	
		Annual Blended PSU Multiplier		TBD	TBD	TBD	
2023	TBD	3-Year TSR (60%)			<sup>(5)</sup>		
		Operational/Financial (40%)			1.46	<sup>(6)</sup>	<sup>(6)</sup>
		Annual Blended PSU Multiplier			TBD	TBD	TBD

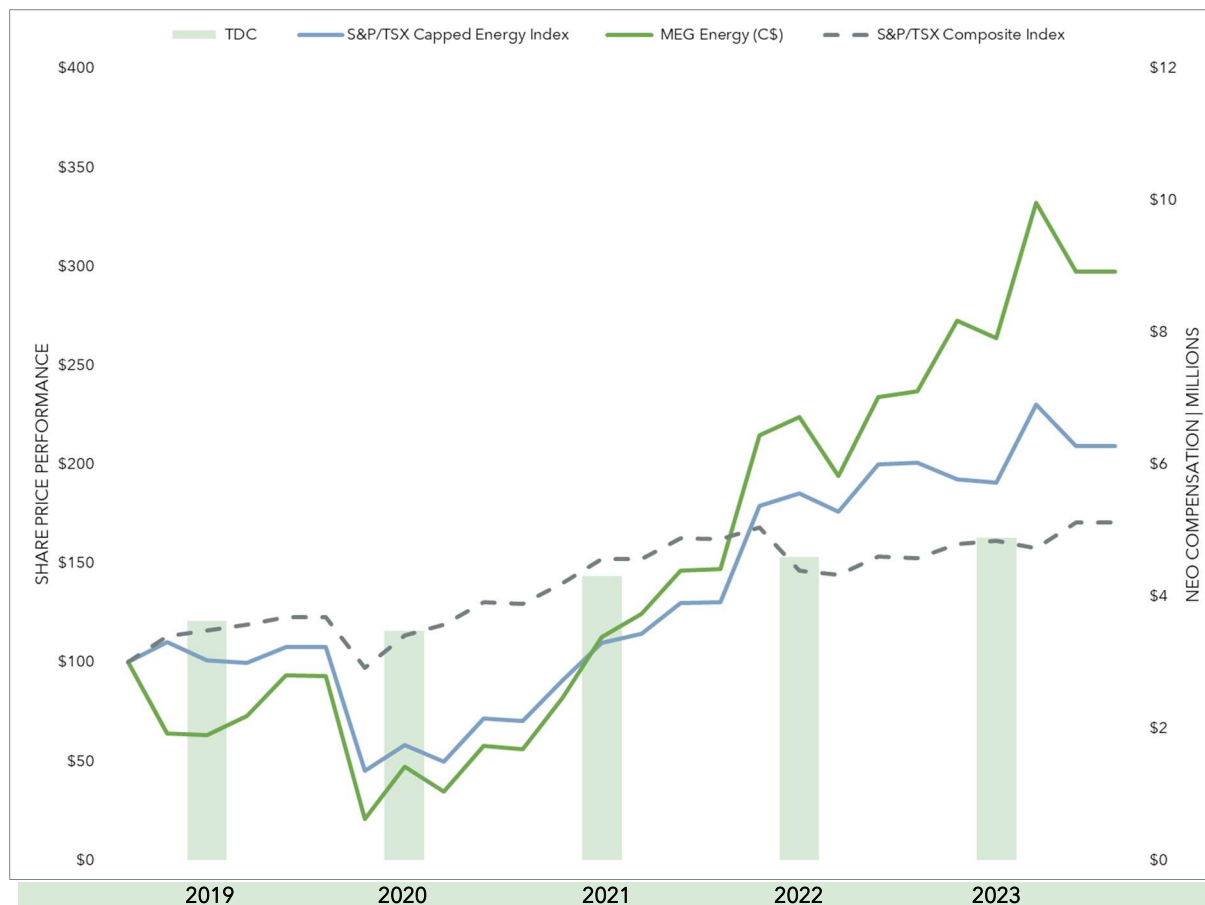
**Notes:**

- (1) The 3-year average multiplier is the average of the annual blended PSU multiplier for each year during the 3-year term of the PSUs.
- (2) The 2021 one-year Operational/Financial measures were 60% 1-Year Relative TSR, 20% NEOC and 20% Production.
- (3) The 2022 one-year Operational/Financial measure was 40% Capital Efficiency.
- (4) The 2023 one-year Operational/Financial measures were 20% SOR and 20% Strategic Initiatives.
- (5) For the 2022 and subsequent PSU grants, 60% of the 3-year average multiplier will be based on the Corporation's 3-year Relative TSR over the term of the applicable PSU grant.
- (6) The 2024 one-year Operational/Financial measures are 20% SOR and 20% Strategic Initiatives. The 2025 one-year Operational/Financial measures will be approved by the Board in 2025.

On the advice of the HRCC and the HSERC, the Board approved (i) the annual 2023 operational/financial measure multiplier of 1.46 applicable to the 2021, 2022 and 2023 grants and (ii) the 2023 annual blended PSU multiplier of 1.78 applicable to the 2021 PSUs.

## Performance Graph

The following graph compares the cumulative TSR for the Corporation on the TSX, of \$100.00 invested in Shares over the five-year period beginning January 1, 2019, and ending December 31, 2023, with \$100.00 also invested in each of the TSX Capped Energy 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 Capped Energy Index (\$)	S&P/TSX Composite Index (\$)
January 2, 2019	100.00	100.00	100.00
December 31, 2019	92.84	122.67	107.76
December 31, 2020	55.90	129.54	70.43
December 31, 2021	146.98	162.04	130.41
December 31, 2022	236.81	152.57	200.86
December 31, 2023	297.36	170.50	209.17
Five-Year Return	197.36%	70.50%	109.17%
Compounded Annual Return	24.35%	11.26%	15.90%

The cumulative TSR for the Corporation significantly outperformed the Energy Index and Composite Index as set out in the graph above. Over the same five-year period, the trend of NEO compensation has remained relatively flat, reflecting the Board's decision to freeze base salaries of the Corporation's executives in three years (2019, 2020 and 2021) of the five-year period, other than salary increases associated with an increase in responsibilities, and market-aligned base salary increases in 2022 and 2023.

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. Realizable/Realized Pay".

## Compensation of Named Executive Officers

The President and CEO, the CFO, and each of the three most highly compensated executive officers during 2023 (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, 2023, are as follows:

Name	Position
Derek W. Evans	President and Chief Executive Officer ("CEO")
Ryan M. Kubik	Chief Financial Officer ("CFO")
Darlene M. Gates	Chief Operating Officer ("COO")
Lyle S. Yuzdepski	Senior Vice President, Legal & General Counsel and Corporate Secretary ("SVP, Legal")
Tom R. Gear	Vice President, Operations ("VP, Operations")

### Summary Compensation Table - NEOs

The following table sets out the compensation paid by the Corporation to the NEOs during the years ended December 31, 2021, December 31, 2022, and December 31, 2023.

Total NEO compensation for 2023 of \$13.9 million, as a percentage of 2023 revenue of \$5.7 billion, based on the Corporation's audited annual financial statements, is 0.25%.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards <sup>(1)</sup> (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation		All Other Compensation <sup>(2)(6)</sup> (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)		
Derek W. Evans President & CEO	2023	652,000	3,586,000	-	1,017,120	-	99,611	5,354,731
	2022	615,750	3,105,017	-	874,365	-	95,261	4,690,393
	2021	600,000	2,700,009	-	1,008,000	-	94,966	4,402,975
Ryan M. Kubik <sup>(3)(7)</sup> CFO	2023	441,000	1,323,000	-	483,722	-	74,421	2,322,143
	2022	210,000	1,260,003	-	327,600	-	186,701	1,984,304
	2021	-	-	-	-	-	-	-
Darlene M. Gates <sup>(4)</sup> COO	2023	485,000	1,940,000	-	563,813	-	77,728	3,066,541
	2022	438,750	1,335,000	-	375,131	-	173,773	2,322,654
	2021	133,636	1,610,000	-	418,950	-	322,208	2,484,794
Lyle S. Yuzdepski SVP, Legal	2023	368,000	828,000	-	403,650	-	63,688	1,663,338
	2022	342,500	787,512	-	287,700	-	60,628	1,478,340
	2021	320,000	800,001	-	314,400	-	57,928	1,492,329
Tom R. Gear <sup>(5)(7)</sup> VP, Operations	2023	336,000	672,000	-	256,200	-	212,343	1,476,543
	2022	152,727	780,040	-	202,320	-	176,816	1,311,903
	2021	-	-	-	-	-	-	-

#### Notes:

- 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 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 2023 savings plan benefit values were as follows: Mr. Evans \$78,240, Mr. Kubik \$52,920, Ms. Gates \$58,200, Mr. Yuzdepski \$44,160 and Mr. Gear \$40,320. In addition: in 2021, Ms. Gates received a one-time cash 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; in 2022, Mr. Kubik received a one-time cash signing bonus of \$150,000, which bonus is subject to repayment in the event that Mr. Kubik resigns or is terminated for cause within the first twenty-four months of employment; and, also in 2022, Mr. Gear received a one-time cash signing bonus consisting of three payments: (i) \$150,000 payable in the calendar month of July 2022, (ii) \$150,000 payable in the calendar month of July 2023, and (iii) \$150,000 payable in the calendar month of July 2024, each of which amounts is subject to repayment in the event that Mr. Gear resigns or is terminated for cause within the first twenty-four months of employment.
- Mr. Kubik joined MEG in July 2022 and was appointed as the Corporation's CFO on August 1, 2022, and, accordingly, his 2022 compensation represents payment for approximately six months of the year.
- 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 \$350,000 as a signing bonus.

- (5) Mr. Gear joined MEG in July 2022, and, accordingly, his 2022 compensation represents payment for approximately six months of the year. Mr. Gear's share-based awards for 2022 include a one-time new hire award of RSUs with a fair value on the grant date of \$300,000 as a signing bonus.
- (6) The Corporation does not currently provide for, or contribute to, either a defined benefit plan or defined contribution plan on behalf of its NEOs.
- (7) Recruitment of these experienced executives in a highly competitive marketplace required one-time compensation uplifts to partially replace lost benefits associated with leaving prior employers.

## 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 HRCC 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 (and performance-based in the case of PSUs), the compensation an NEO realizes in connection with LTI awards is spread over three years, which the HRCC 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 the Corporation's CEO and the NEOs for the period 2019 to 2023. 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, 2023. 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, 2023 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 MEG 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:



Applicable MEG TSR<sup>(2)</sup>  
Change in  
Realized/Realizable vs.  
TDC

Year	2019	2020 <sup>(1)</sup>	2021	2022	2023
Applicable MEG TSR <sup>(2)</sup>	248%	1080%	258%	39%	15%
Change in Realized/Realizable vs. TDC	Δ175%	Δ802%	Δ157%	Δ20%	Δ5%

**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 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
2019	June 14, 2019	\$4.91	April 1, 2022	\$17.08	248%
2020	April 1, 2020	\$1.57	March 15, 2023	\$18.52	1080%
2021	April 1, 2021	\$6.62	December 31, 2023	\$23.68	258%
2022	April 1, 2022	\$17.08	December 31, 2023	\$23.68	39%
2023	March 15, 2023	\$20.67	December 31, 2023	\$23.68	15%

- (i) Grant Date is the date on which the CEO received his annual LTI award in the applicable calendar year, except with respect to 2018, in which the LTI award was delayed to May 17, 2019, due to the extended blackout period associated with the unsuccessful offer by Husky Energy to acquire all of the issued and outstanding Shares (the "Husky Bid").
- (ii) The one-day volume weighted average price of the Shares on the Grant Date or Period End Date, as applicable.
- (iii) Period End Date for LTI is the earlier of (i) the date on which the LTI award for a calendar year vested (generally three years from the date of grant), and (ii) December 31, 2023 where such LTI award has not yet vested.

**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 MEG 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 vested) received by the NEOs on average in such calendar year:



Applicable MEG TSR<sup>(2)</sup>  
Change in  
Realized/Realizable vs.  
TDC

Year	Applicable MEG TSR <sup>(2)</sup>	Change in Realized/Realizable vs. TDC
2019	248%	Δ135%
2020 <sup>(1)</sup>	1080%	Δ704%
2021	258%	Δ144%
2022	39%	Δ18%
2023	15%	Δ5%

**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 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
2019	June 14, 2019	\$4.91	April 1, 2022	\$17.08	248%
2020	April 1, 2020	\$1.57	March 15, 2023	\$18.52	1080%
2021	April 1, 2021	\$6.62	December 31, 2023	\$23.68	258%
2022	April 1, 2022	\$17.08	December 31, 2023	\$23.68	39%
2023	March 15, 2023	\$20.67	December 31, 2023	\$23.68	15%

- (i) Grant Date is the date on which NEOs received annual LTI awards in the applicable calendar year.
- (ii) The one-day volume weighted average price of the Shares on the Grant Date or Period End Date, as applicable.
- (iii) Period End Date is the earlier of (i) the date on which the LTI award for a calendar year vested (generally three years from the date of grant), and (ii) December 31, 2023 where such LTI award has not yet vested.



## 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, 2023:

	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	2,924,210	RSUs: 181,330 PSUs: 430,201	RSUs: 4,292,081 PSUs: 10,182,585	DSUs: 7,803,313
<b>Total</b>	<b>153,100</b>	<b>-</b>	<b>-</b>	<b>2,924,210</b>	<b>611,531</b>	<b>14,474,939</b>	<b>7,803,313</b>
Ryan M. Kubik CFO	-	-	-	-	RSUs: 42,450 PSUs: 77,437	RSUs: 1,004,792 PSUs: 1,832,934	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119,887</b>	<b>2,837,725</b>	<b>-</b>
Darlene M. Gates COO	-	-	-	-	RSUs: 124,040 PSUs: 182,672	RSUs: 2,936,027 PSUs: 4,323,846	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306,712</b>	<b>7,259,873</b>	<b>-</b>
Lyle S. Yuzdepski SVP, Legal	-	-	-	-	RSUs: 47,456 PSUs: 116,558	RSUs: 1,123,284 PSUs: 2,758,928	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,014</b>	<b>3,882,211</b>	<b>-</b>
Tom R. Gear VP, Operations	-	-	-	-	RSUs: 31,872 PSUs: 35,597	RSUs: 754,410 PSUs: 842,581	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,469</b>	<b>1,596,991</b>	<b>-</b>

**Notes:**

- (1) "Value of Unexercised in-the-money Options" is calculated using the December 31, 2023 closing price of the Shares on the TSX (\$23.67).
- (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, 2023 closing price of the Shares on the TSX (\$23.67).
- (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 Share-based awards held by the NEOs of the Corporation that vested during the year ended December 31, 2023, and non-equity incentive plan compensation earned by such NEOs during the year ended December 31, 2023. As Options were last granted in 2019, no Options vested during the year ended December 31, 2023.

	Value Vested During Year	
	Share-Based Awards <sup>(1)</sup> (\$)	Non-Equity Incentive Plan Compensation <sup>(2)</sup> (\$)
Derek W. Evans, President & CEO	26,032,600	1,017,120
Ryan M. Kubik, CFO	169,921	483,722
Darlene M. Gates, COO	662,701	563,813
Lyle S. Yuzdepski, SVP, Legal	6,253,747	403,650
Tom R. Gear, VP, Operations	181,755	256,200

**Notes:**

- (1) 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 2020, the second 1/3 of RSUs granted in 2021, the first 1/3 of RSU granted in 2022 and all the PSUs granted in 2020 (calculated using the relevant performance factors).
- (2) Annual bonuses (STI) for 2023, which will be paid in 2024.

## 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, 2023. 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. MEG has not granted any Options to NEOs since 2019.

	Options Exercised (#)	Gain on Exercise (\$)
Derek W. Evans, President & CEO	-	-
Ryan M. Kubik, CFO	-	-
Darlene M. Gates, COO	-	-
Lyle S. Yuzdepski, SVP, Legal	-	-
Tom R. Gear, VP, Operations	-	-

## Executive Share Ownership Guidelines

The Corporation's executive Share Ownership 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 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, with a minimum of one-fifth of the ownership requirement being attained by the end of each of the five years. In addition, by the end of the applicable five-year period, at least twenty-five (25%) percent of the target ownership level must be met through the ownership of Shares. Compliance will be determined based on a valuation at the end of each calendar year.

If an executive's share ownership requirement is increased due to the executive being promoted, the executive's initial obligation to acquire the stipulated amount within five years of their initial appointment continues, but the executive will have an additional three-year period from the date of 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), and the Share ownership level is met. Provided the target and Share ownership levels are 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 PSUs in defining qualifying holdings.

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

The following table sets forth the share ownership guidelines and the value of the beneficial shareholdings of the NEOs as at December 31, 2023, unless otherwise noted.

	Share Ownership Guideline	Total Value of Equity Investment <sup>(1)</sup> (\$)	Current Ownership (Multiple of Base Salary)	25% Common Share Ownership Requirement Met	Complies with Guidelines
Derek W. Evans, President & CEO	5x base salary	32,086,176	49.2x	Yes	Yes
Ryan Kubik, Chief Financial Officer	3x base salary	1,114,289	2.5x	On track	On track
Darlene M. Gates, Chief Operating Officer	3x base salary	3,669,891	7.6x	Yes	Yes
Lyle S. Yuzdepski, SVP, Legal	3x base salary	3,731,923	10.1x	Yes	Yes
Tom R. Gear, VP, Operations	2x base salary	754,410	2.2x	On track	On track

**Note:**

(1) "Total Value of Equity Investment" is calculated using the December 31, 2023 closing price of the Shares on the TSX (\$23.67).

## 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 - Summary of DSU Plan, Option Plan and RSU Plans*".

#### *Number of Options Outstanding*

As of December 31, 2023, a total of 155,100 Options held under the Option Plan remained outstanding (representing approximately 0.06% of the Shares outstanding as of December 31, 2023). During 2023, no Options expired unexercised, no Options were cancelled or forfeited, and 138,767 Options were exercised. See "*Securities Authorized for Issuance Under Security-Based Compensation Plans*" below. No Options have been granted since 2019.

### Share-Based Plans

#### *DSU Plan*

The DSU Plan authorizes the Board to grant DSUs to directors 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 - Summary of DSU Plan, Option Plan and RSU Plans*".

#### *Number of DSUs Outstanding*

As of December 31, 2023, a total of 1,033,307 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. 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 - Summary of DSU Plan, Option Plan and RSU Plans*".

#### *Number of Treasury-Settled RSUs Outstanding*

As of December 31, 2023, a total of 3,697,833 treasury-settled RSUs were outstanding under the treasury-settled RSU Plan (being equal to approximately 1.34% of the outstanding Shares). Of the 3,697,833 treasury-settled RSUs outstanding, 2,279,344 were granted as RSUs and 1,418,489 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, 2023, there were no cash-settled RSUs outstanding under the Cash-Settled RSU Plan.

### Options, RSUs, PSUs and DSUs Granted During the Year

#### *Number of Options Granted During 2023*

No Options have been granted since 2019.

### Number of DSUs Granted During 2023

In 2023, 46,144 DSUs were granted. DSUs were granted during the year ended December 31, 2023. All of the DSUs granted in 2023 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).

### Number of Treasury-Settled RSUs Granted During 2023

A total of 1,276,515 treasury-settled RSUs (representing approximately 0.46% of the Shares outstanding as of December 31, 2023) were issued during the year ended December 31, 2023. Of the 1,276,515 treasury-settled RSUs, 926,546 were granted as RSUs and 349,969 were granted as PSUs, and 80,932 PSUs were forfeited as adjustments for the relevant performance factor for previously granted PSUs. All of the RSUs granted in 2023 are scheduled to vest at a rate of one-third on each of March 15, 2024, March 15, 2025, and March 15, 2026, and all of the PSUs granted in 2023 are scheduled to cliff vest on March 15, 2026 subject to the satisfaction of the applicable performance criteria.

### Number of Cash-Settled RSUs Granted During 2023

No RSUs or PSUs were granted under the Corporation's Cash-Settled RSU Plan during the year ended December 31, 2023. 247,400 cash-settled PSUs were forfeited as adjustments for the relevant performance factor for previously granted PSUs.

## Impact on Equity

The following tables describe the equity burn rate for each of 2021, 2022 and 2023 and the maximum potential share dilution for the Shares as at December 31, 2023.

### Equity Burn Rate

Year			Awards	WACSO <sup>(1)</sup>	Burn Rate
2021	Option Plan		-	305,904,653	-
	Treasury-Settled RSU Plan	RSUs	2,599,905		0.85%
		PSUs <sup>(2)</sup>	720,759		0.24%
		<b>Total (RSUs+PSUs)</b>	<b>3,320,664</b>		<b>1.09%</b>
2022	Option Plan		-	304,121,854	-
	Treasury-Settled RSU Plan	RSUs	1,062,600		0.35%
		PSUs <sup>(2)</sup>	433,047		0.14%
		<b>Total (RSUs+PSUs)</b>	<b>1,495,647</b>		<b>0.49%</b>
2023	Option Plan		-	285,002,796	-
	Treasury-Settled RSU Plan	RSUs	926,546		0.33%
		PSUs <sup>(2)</sup>	349,969		0.12%
		<b>Total (RSUs+PSUs)</b>	<b>1,276,515</b>		<b>0.45%</b>

#### 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, 2023 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%	275,084,921	155,100	0.06%	9,901,313	3.60%
Treasury-Settled RSU Plan			3,697,833	1.34%		

#### 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.
- (2) Common Shares Outstanding (CSO) as at December 31, 2023.
- (3) Awards expressed as a percentage of CSO.
- (4) A maximum of 3.60% 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 Executives that provide for the payments set out below based upon a 2.0 multiplier for the CEO, CFO and COO and a 1.5 multiplier for other Executives.

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

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

### Change of Control Payments and Benefits

The Change of Control Agreements provide that if a Change of Control occurs, and within 180 days immediately following a Change of Control an event or events occur that constitute Good Reason, the Executive shall have the right, for a period of 60 days following the event or events that constitute Good Reason, to elect to terminate their 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 their 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 the applicable multiplier; plus
3. an amount equal 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 their 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 the Executives that provide for the payment of an amount equal to the Retiring Allowance (as defined above) 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.

## Employee Retirement Policy

The Corporation has a policy in place that governs the treatment of LTI and STI on retirement (the "Employee Retirement Policy") applicable to all retiring employees, upon such employees achieving both: (a) fifty-five years of age, and (b) five years of continuous service to the Corporation (the "Eligible Retiring Employees"). Pursuant to the Employee Retirement Policy, the applicable vesting and exercise rights of Options and RSUs (including PSUs) held by the Eligible Retiring Employee at the time of such employee's retirement 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. In addition, the Employee Retirement Policy provides that Eligible Retiring Employees are entitled to a pro-rated bonus payment in respect of the current year, with the individual performance bonus set at target and the Corporation's performance based on the Corporation's scorecard.

Effective August 8, 2023, Mr. Evans met the conditions set forth in the Employee Retirement Policy and is an Eligible Retiring Employee. Accordingly, Mr. Evans is entitled to receive extended vesting and exercise rights for his Options, RSUs and PSUs held by him on the date of his departure from MEG and a pro-rated bonus payment for 2024. Mr. Evans will not receive any additional compensation related to his departure and each of Mr. Evans' base salary and LTI grant for 2024 will be prorated based on his time served in 2024.

## LTI Change of Control Provisions

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 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 RSU Plan is terminated by the Corporation, 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).

## Termination and Change of Control Benefits Table

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 RSU Plans as a result of the triggering events identified below, in each case assuming that such event occurred on December 31, 2023.

The table does not include the value of payments, payables and benefits already available to the NEO at December 31, 2023, 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 (\$)	Total (\$)
Derek W. Evans <sup>(1)</sup>	Termination Without Cause <sup>(2)(3)(4)</sup>	3,566,445	7,803,313	11,369,758
	Termination With Cause <sup>(4)(5)</sup>	-	7,803,313	7,803,313
	Change of Control <sup>(6)</sup>	3,566,445	22,278,251	25,844,696
	Retirement/Resignation <sup>(7)(8)(9)</sup>	886,720	21,634,041	22,520,761
Darlene M. Gates <sup>(1)</sup>	Termination Without Cause <sup>(2)(3)</sup>	2,053,981	-	2,053,981
	Termination With Cause <sup>(5)</sup>	-	-	-
	Change of Control <sup>(6)</sup>	2,053,981	7,259,873	9,313,854
	Retirement/Resignation <sup>(7)</sup>	-	-	-
Ryan Kubik	Termination Without Cause <sup>(2)(3)</sup>	1,809,640	-	1,809,640
	Termination With Cause <sup>(5)</sup>	-	-	-
	Change of Control <sup>(6)</sup>	1,809,640	2,837,725	4,647,365
	Retirement/Resignation <sup>(7)</sup>	-	-	-
Lyle S. Yuzdepski	Termination Without Cause <sup>(2)(3)</sup>	1,173,615	-	1,173,615
	Termination With Cause <sup>(5)</sup>	-	-	-
	Change of Control <sup>(6)</sup>	1,173,615	3,882,211	5,055,826
	Retirement/Resignation <sup>(7)</sup>	-	-	-
Tom R. Gear	Termination Without Cause <sup>(2)(3)</sup>	913,080	-	913,080
	Termination With Cause <sup>(5)</sup>	-	-	-
	Change of Control <sup>(6)</sup>	913,080	1,596,991	2,510,071
	Retirement/Resignation <sup>(7)</sup>	-	-	-

**Notes:**

- (1) Mr. Evans will cease to be the President and CEO of the Corporation and Ms. Gates will be appointed as President and CEO of the Corporation effective May 1, 2024.
- (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 NEOs which provide for pre-determined payments if the executive is terminated by the Corporation other than for cause.
- (4) Mr. Evans was granted 329,671 DSUs on May 17, 2019 under the DSU Plan in satisfaction of his 2018 LTI Target. The value of long-term incentives payable to the CEO in the event of termination with or without cause is calculated by multiplying the number of DSUs held by the CEO by the December 31, 2023 closing price of the Shares on the TSX (\$23.67).
- (5) Represents termination of the employment of the NEO by the Corporation for cause.
- (6) The value of long-term incentives is calculated by multiplying 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 December 31, 2023 closing price of the Shares on the TSX (\$23.67).
- (7) Represents voluntary retirement or voluntary resignation of the NEO.
- (8) In the case of Mr. Evans, the amount shown in the "Payment" column represents the bonus payment that would have been payable in accordance with the Corporation's Employee Retirement Policy. See "*Termination and Change of Control Benefits - Employee Retirement Policy*". This amount shown was not included for Mr. Evans in the management information circular of the Corporation dated March 15, 2023 since Mr. Evans had not, at that time, met the 5-year service condition required under the Employee Retirement Policy.
- (9) In the case of Mr. Evans, the amounts under the column "Long-Term Incentives" represents the value of long-term incentives as at December 31, 2023 since Mr. Evans was then eligible to participate in the Corporation's Employee Retirement Policy. See "*Termination and Change of Control Benefits - Employee Retirement Policy*". The amounts shown under the column "Long-Term Incentives" were not included for Mr. Evans in the management information circular of the Corporation dated March 15, 2023 since Mr. Evans had not, at that time, met the 5-year service condition required under the Employee Retirement Policy.

## 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, 2023. As of December 31, 2023, there were 275,084,921 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)
<b>Equity Compensation Plans Approved by Shareholders</b>			
Option Plan	155,100	\$4.57	9,901,313 <sup>(2)(3)</sup>
Treasury-Settled RSU Plan <sup>(1)</sup>	3,697,833		
<b>Equity Compensation Plans Not Approved by Shareholders</b>			
None	-	n/a	n/a
<b>Total</b>	<b>3,852,933</b>	<b>\$4.57</b>	<b>9,901,313</b>

**Notes:**

- (1) Includes RSUs and PSUs issued under the treasury-settled RSU Plan.
- (2) As of December 31, 2023, 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, 2023, 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 275,084,921 issued and outstanding Shares as at December 31, 2023.

## 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 Diversity

- Diversity, Equity and Inclusion Policy requiring that women represent at least 30% of the Board members and a target of achieving at least 40% diverse persons by 2025 (which goals were reached by the Corporation in 2022 and have been maintained thereafter).
- 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



### 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 & Executive Accountability

- Board Shareholder outreach
- Advisory vote on executive compensation, giving Shareholders a say on pay
- Corporate Performance Scorecard links executive compensation to specific goals relating to ESG matters, including safety culture and safety leadership, climate-related goals and diversity, equity and inclusion 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, and 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 - Board of Directors Mandate*"), 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 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 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 2023, the strategic planning session focused on the Corporation's debt repayment outlook, capital allocation strategy and growth strategy. The strategic session also focused on the Corporation's technology development plans and decarbonization efforts. 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 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.

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

Third-party experts are utilized to perform annual penetration testing and security assessments of the Corporation's IT infrastructure and cybersecurity procedures. The Corporation holds the 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 quarterly, the Board receives an update on 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 or cybersecurity breach in the past five years. The Corporation regularly discusses and evaluates the merits of information security risk insurance specific to the needs and risks of the Corporation.

## Environmental, Social and Governance Matters

The Board believes that 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; and eight out of nine of the nominees standing for election at the Meeting have a comprehensive understanding of climate change and climate change impacts, climate policy developments, and establishing and monitoring climate performance and strategy metrics such as GHG emissions reduction targets. Experience in assessing and managing climate-related risks and opportunities, as well as experience in managing climate related risks and opportunities.

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 Health, Safety and Environment 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 by 2050 (Scope 1 and Scope 2).

### Accountabilities for ESG



#### Board of Directors | Oversees:

- the Corporation's long-term goals and approach to achieve its goals
- the Corporation's ERM program including its design and structure and assessment of its effectiveness and principal risks
- ESG strategy and monitors management's systems and processes relating to the identification, assessment and management of ESG risks and opportunities



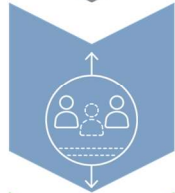
#### Board Committees | Assists the Board:

- in the oversight of management's approach to ERM and its mitigation practices and oversight of individual risks delegated by the Board
- in the oversight of management's systems and processes relating to the identification, assessment and management of ESG risks and opportunities
- in the oversight of those ESG matters affecting executive compensation



#### President & CEO:

- responsible for managing the Corporation's ERM program and its ESG strategy, priorities, policies, procedures and practices



#### Executive ESG Committee:

- assists the CEO in setting the Corporation's ESG strategy and recommends policies, practices and disclosures
- oversees the Corporation's reporting and disclosure with respect to ESG matters
- assists the CEO in overseeing internal and external communications regarding ESG matters
- assists the CEO in the identification, assessment and management of ESG-related risks and opportunities, including the establishment of ESG metrics and targets
- monitors and keeps the Corporation apprised of current and emerging ESG matters that may affect the Corporation



#### Managers:

- provide leadership on ESG initiatives

#### Corporate HS&E Committee:

- oversees matters related to potential environmental impacts, the health and safety of employees and contractors, and the strength of the Corporation's security programs

#### Staff:

- contribute individually to team efforts on ESG initiatives

In 2023, the Corporation published its third ESG report, which discusses its foundational commitments of Business Model Resilience and Governance and the Corporation's priority ESG topics: Health and Safety; Climate Change and GHG Emissions; Water Management; Energy Security; Energy Affordability; and Indigenous Relations. The ESG report illustrates progress in several areas, including the establishment in 2023 of a new mid-term absolute GHG emissions<sup>2</sup> reduction target of 0.63 megatonnes per annum by year-end 2030 (which represents approximately 30% of the Corporation's 2019 GHG emissions); \$72 million spent on goods and services provided by Indigenous businesses in 2022 (a 30% increase over 2021); and the launch of the Corporation's Diversity, Equity and Inclusion education and awareness campaign focused on ensuring that every team member is valued, respected and heard to enhance decision making, innovation, employee engagement and the Corporation's long-term success.

The Corporation, along with its Pathways Alliance peers, continues to progress pre-work on the proposed foundational carbon capture and storage ("CCS") project, which will transport CO<sub>2</sub> via pipeline from multiple oil sands facilities to be stored safely and permanently underground in the Cold Lake region of Alberta. The Pathways Alliance continues to advance detailed evaluations of the proposed carbon storage hub and is working to obtain a carbon sequestration agreement from the Alberta Government in the first half of 2024 to support regulatory submissions. In addition, the Pathways Alliance continues to advance engineering work, environmental field programs to minimize the project's environmental disturbance, and consultations with Indigenous and local communities along the proposed CO<sub>2</sub> transportation and storage network corridor. The Pathways Alliance continues to work collaboratively with both the federal and Alberta Governments on the necessary policy and co-financing frameworks required to move the project forward.

The Corporation has participated in the CDP (formerly Climate Disclosure Project) since 2016. The CDP is a not-for-profit organization that maintains a global disclosure system for investors, companies, cities, states and regions to manage their environmental impact. In each of 2018, 2019, 2020 and 2021, the Corporation has received a Climate Score of B. Recently, MEG has been participating in CDP Water and has received scores in 2020, 2021 of B and in 2022 A-. In 2023, the Corporation received a CDP Climate Score of B, which score is above the global and North American average of C. And in 2023 the Corporation received a CDP Water Score of B, which score is above the global and North American average of C.

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 through 2024) of the Corporation's Corporate Performance Scorecard which impacts both executive and employee compensation. See "*Components of Executive Compensation - 2023 Corporate Performance Scorecard*" and "*Components of Executive Compensation - 2024 Corporate Performance Scorecard*".

In 2024, the Corporation's strategic ESG initiatives include:

- Engage the workforce to drive behaviors that improve the Corporation's safety culture maturity;
- Create an employee experience that motivates employees to do their best work, including creating an inclusive workplace environment; and
- Continue to progress the Corporation's decarbonization plans.

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 the 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.

The Corporation's "MEG to the CORE" values 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.

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 new and improved Diversity, Equity and

<sup>2</sup> Scope 1 and scope 2 emissions

Inclusion Policy are intended to foster a corporate culture in which all of the Corporation's Board members, employees and contractors feel valued, respected and heard and have the opportunity to contribute and succeed. See "*Corporate Governance Practices – Diversity, Equity and Inclusion*".

In 2023, the areas of focus for the Corporation's human capital strategy included the expansion of succession planning efforts to ensure existing or anticipated talent gaps over the course of the next three years; the establishment of developmental planning processes to identify developmental activities for employees; and the completion of an employee engagement/experience survey to obtain a data-driven understanding of the employee experiences.

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

The Board also devotes significant time to leadership development and succession planning and provides guidance on important decisions in each of these areas. The Board, through the HRCC, 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 HRCC and the Board review succession plans for the Corporation's executives and their development on an annual basis with the CEO and Senior Vice President, Human Resources.

The HRCC 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.

## Diversity, Equity and Inclusion

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, the Board adopted a new Inclusion and Diversity Policy (the 2021 I&D Policy). The purpose of the 2021 I&D Policy was to set forth the key principles and commitments of the Corporation 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. The objectives approved by the Board under the 2021 I&D Policy included (a) maintaining a Board composition in which at least 30% of the directors are women, (b) aspiring to attain by 2025, and thereafter maintain, a Board composition in which at least 40% of the directors are Diverse Persons (including women, racialized people, Indigenous people, individuals who identify as LGBTQ2S+, and people with disabilities), (c) aspiring to achieve a meaningful increase in the number of Diverse Persons at the Corporation's senior management level (i.e. Vice Presidents and above), (d) ensuring 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 (e) establishing baseline information within the organization with respect to inclusion and diversity.

In 2022, the Board achieved compliance with the 2021 I&D Policy with the election of three women at its 2022 annual meeting of Shareholders and the appointment of a racially diverse person in July 2022. The Board composition currently includes three women, representing 33% of the Board, and four Diverse Persons, representing 44% of the Board. In addition, the Corporation continued to progress each of the other objectives set out in the 2021 I&D Policy.

Also in 2022, the Corporation hired a Manager, Inclusion & Diversity to support and accelerate the Corporation's inclusion and diversity efforts. In late 2022 and early 2023, the Board adopted a DE&I strategic plan and replaced the 2021 I&D Policy with a new Diversity, Equity and Inclusion Policy (the "DE&I Policy"). The DE&I Policy also sets forth the key principles and commitments of the Corporation which are intended to ensure that the Corporation fosters a corporate culture in which all of the Corporation's personnel and Board members feel valued, heard, respected, and have the opportunity to contribute and succeed. The DE&I Policy also highlights the appropriate procedure for when personnel encounter behaviors that violate the DE&I Policy or the Corporation's commitment. In the DE&I Policy:

"**Diversity**" means differences in the lived experiences and perspectives of people that may include race, ethnicity, language, ancestry, place of origin, political belief, religion, marital status, family status, physical disability, mental disability, sex, gender identity or expression, sexual orientation, age, class and/or socio-economic situations.

"**Equity-Deserving Groups**" refers to a group of people who, because of systemic inequities, face barriers that prevent them from having the same access to the resources and opportunities that are available to other members of society, which are necessary for them to attain just outcomes. These groups include women, racialized people, Indigenous people, individuals who identify as LGBTQ2S+, and people with disabilities.

"**Inclusion**" refers to a workplace where there are consistent and intentional actions to ensure that everyone feels valued, heard and respected as an individual.

The key principles and commitments of the Corporation in the DE&I Policy are as follows:

- Demonstrating a commitment to consistent inclusive leadership behaviours that will be role-modelled by the Board and the Corporation's Executive Leadership Team (ELT) and people leaders;
- Setting ELT accountability for the success and implementation of the DE&I strategic plan and commitments;
- Demonstrating and promoting inclusive practices which encourages diversity in thought, including applying and enforcing its Respectful Workplace Policy;
- Holding employees accountable to embodying our DE&I Policy commitment within their daily behaviours and team cultures;
- Enabling and promoting DE&I education and awareness for all employees, including teammates and people leaders;
- Developing recruitment strategies focused on increasing the representation of candidates that better reflect the communities we work and live in across all areas and seniority levels at MEG. Where appropriate, leveraging external recruitment advisors to diversify our talent pipeline and sourcing pools;
- 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 diversity, equity, and inclusion; and
- Consistently striving for opportunities to build a workforce that better reflects the communities in which the Corporation works and lives.

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

In 2023, the Corporation completed an employee engagement survey which included voluntary self-identification of membership in Equity-Deserving Groups in order to provide the Corporation with greater insight into the demographics of the organization. Eighty (80%) percent of respondents provided voluntary disclosure of their diversity demographics.

The GNC is responsible for oversight of the application of the DE&I Policy to the Board and the HRCC is responsible for the application of the DE&I 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 and will be included in a Corporate Performance Scorecard and CEO Objectives as appropriate. The evaluation of the Corporation's progress will include a mechanism to include feedback from Equity Deserving Groups within the organization.

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

Position/Title	Number of Women	% of Women	Number of Racial/Ethnic Diverse Persons	% of Racial/Ethnic Diverse Persons
Internal Director <sup>(1)</sup>	3	25%	-	0%
Executive <sup>(2)</sup>	1	10%	-	0%
Board of Directors <sup>(3)(4)</sup>	3	37.5%	1	12.5%

**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, Senior Vice President and Vice Presidents.
- (3) Member of the Board.
- (4) Based on the nine director nominees standing for election at the Meeting.

In addition to the DE&I Policy, the Corporate Performance Scorecard for 2024 includes, as part of its ESG targets, a focus on the Corporation's workforce culture, employee experience and diversity, equity and inclusion efforts.

As of the date of the Circular, one of nine (11%) of the director nominees and zero of nine (zero percent) of the Executives self-identify as Indigenous peoples; zero of nine (zero percent) of the director nominees and zero of nine (zero percent) of the Executives self-identify as members of visible minorities; and zero of nine (zero percent) of the director nominees and zero of nine (zero percent) of the Executives self-identify as persons with disabilities.



Since 2021, in furtherance of its inclusion and diversity objectives, the Board engages search firms specialized in the recruitment of members of Equity-Deserving Groups to identify individuals from Equity-Deserving Groups and ensure they are included in the pool of prospects from which the GNC identifies potential Board 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 Resources 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 Post-Meeting

Each of the Committees is comprised solely of independent directors. Ms. Gates, if elected, as a non-independent director by virtue of her position as President and CEO of the Corporation, will not sit on any Board committee but will attend all Committee meetings by invitation. An *in-camera* session of independent directors is held at every Board and Committee 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 <sup>(1)</sup>			
	Audit Committee	HRCC	GNC	HSERC
James D. McFarland <sup>(2)</sup>	<i>Ex-officio</i>	<i>Ex-officio</i>	<i>Ex-officio</i>	<i>Ex-officio</i>
Gary A. Bosgoed			●	●
Robert B. Hodgins	Chair		●	
Kim Lynch Proctor	●	●		
Susan M. MacKenzie	●			Chair
Jeffrey J. McCaig		Chair		●
Diana J. McQueen		●	Chair	
Robert R. Rooney	●		●	

**Notes:**

(1) The Corporation's President and CEO attends all standing committee meetings.

(2) As Board Chair, Mr. McFarland is an *ex-officio* non-voting member of each standing committee.

### Audit Committee

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

Each member of the Audit Committee is an independent director and is "financially literate" as such term is defined in National Instrument 52-110 - *Audit Committees*. Additionally, two of the three members of the Audit Committee (as well as the Board Chair who serves as an *ex-officio* member of the 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, 2023 filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) 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 Resources and Compensation Committee

The Corporation's Human Resources and Compensation Committee (HRCC) provides 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 HRCC 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 compensation related risks, 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; review annually progress on application of the DE&I policy to the Corporation's executives and employees; 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 HRCC must be an independent director. The Board appoints the chair of the HRCC annually from among the members of the HRCC. The HRCC meets at least semi-annually and at each meeting of the HRCC, the members meet *in-camera* in the absence of management. The HRCC 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 HRCC.

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

The HRCC 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; review annually progress on application of the DE&I Policy to the Board; 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 of the Corporation's oil and gas reserves and environmental, social and governance matters including 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; 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, and reviewing and recommending health, safety and environmental metrics for inclusion in the Corporation's Corporate Performance Scorecard and reviewing and providing input into the Corporation's ESG reports as required from time to time.

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. McFarland, is independent and the Board is currently comprised of eight (8) directors, seven (7) of whom are independent. Mr. Evans, as President and CEO of the Corporation, is not independent and is the only member of the Board who is also a member of management. If all director nominees are elected, the Board will be comprised of nine (9) directors, eight (8) of whom will be independent. Ms. Gates, in her capacity as President and CEO of the Corporation, is not independent and, if elected, will be 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 HRCC, 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 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 transactions 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 exceeds \$120,000, 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 Executives in 2023.

## 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.

Director	Other Public Company Directorships
Gary A. Bosgoed	Capital Power Corporation
Derek W. Evans	Franco-Nevada Corporation
Darlene M. Gates	N/A
Robert B. Hodgins	AltaGas Ltd. Gran Tierra Energy Inc.
Kim Lynch Proctor	Alaris Equity Partners Income Trust Paramount Resources Ltd.
Susan M. MacKenzie	Precision Drilling Corporation
Jeffrey J. McCaig	Michichi Capital Corp.
James D. McFarland	Valeura Energy Inc.
Diana J. McQueen	N/A
Robert R. Rooney	N/A

## 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. As of the date of this Circular, the Corporation is unaware of any interlocking relationships, either at publicly traded companies or private issuers.

## Director Meeting Attendance

The attendance record of each current director for all Board and Committee meetings held in 2023 is set out below. With the exception of Messrs. Bruce, Evans and McFarland, the 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.

Director	Board Meetings	Standing Committee Meetings				Total
		Audit Committee	HRCC	GNC	HSERC	
Gary A. Bosgoed	9/9			3/3	5/5	100%
Ian D. Bruce <sup>(1)</sup>	6/6	3/3	3/3	2/2	4/4	100%
Derek W. Evans <sup>(2)</sup>	9/9	4/4	4/4	3/3	5/5	100%
Robert B. Hodgins	9/9	4/4 Chair		3/3		100%
Kim Lynch Proctor	9/9	4/4	4/4			100%
Susan M. MacKenzie	9/9	4/4			5/5 Chair	100%
Jeffrey J. McCaig	9/9		4/4 Chair	3/3	5/5	100%
James D. McFarland <sup>(3)</sup>	9/9		3/3	2/2	5/5	100%
Diana J. McQueen	9/9		4/4	3/3 Chair		100%
















































































































































































### Notes:










- Mr. Bruce served as the Corporation's Chair of the Board from January 1, 2023 until his death on October 16, 2023. Mr. McFarland served as the Corporation's Chair of the Board from November 7, 2023 to December 31, 2023. As Chair, each of Messrs. Bruce and McFarland attended, in an ex-officio capacity, 100% of the committee meetings held during their respective tenure.
- The Corporation's President and CEO is not a member of any of the Board's committees but is invited to attend the meetings of all committees. Mr. Evans attended 16/16 or 100% of the committee meetings held in 2023. At each such meeting, the members of the committee, all of whom are independent, also met in-camera without Mr. Evans present.
- Effective May 1, 2023, Mr. McFarland was appointed as a member of the GNC. On November 7, 2023, Mr. McFarland became the Chair of the Board and ceased to be a member of the GNC, HRCC and HSERC.

## 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.

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

Legend										
										
										
	<b>Bosgoed</b>	<b>Gates</b>	<b>Hodgins</b>	<b>Lynch Proctor</b>	<b>MacKenzie</b>	<b>McCaig</b>	<b>McFarland</b>	<b>McQueen</b>	<b>Rooney</b>	
Ability to read and interpret financial statements/notes										
Experience in investment banking, mergers & acquisitions										
In-situ operations										
Large project development										
Health, Safety and Environmental										
Reserves Reporting										
Regulatory										
Marketing of Oil or Gas										
Midstream/Transportation Sector										
Refining Sector										
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										
Other Boards of Directors										

									
Current Canadian Corporate Governance	●	●	●	●	●	●	●	●	●
Securities Law, Regulatory Regime for Public Companies	●	○	●	●	●	●	●	●	●
Environmental, Social & Governance (ESG) <sup>(1)</sup>	●	●	●	●	●	●	●	●	●
Climate <sup>(2)</sup>	●	●	●	●	●	●	●	●	●
Digital Skills <sup>(3)</sup>	●	●	●	●	●	●	●	●	●
Cybersecurity Experience	●	●	●	●	●	●	●	●	●

**Notes:**







- (1) Experience with or knowledge of risks and opportunities related to a broad range of ESG issues including climate change impacts, diversity, equity and inclusion practices, as well as knowledge of evolving ESG trends.
- (2) Understanding of climate change and climate change impacts, climate policy developments, and establishing and monitoring climate performance and strategy metrics such as GHG emissions reduction targets. Experience in assessing and managing climate-related risks and opportunities.
- (3) Experience with or an understanding of technological risks including digital disruption and cybersecurity risk and the application of technology in complex businesses, with particular reference to innovation.

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 by MEG in 2023:

-  **Safety Leadership** (February 2023) - presented by MFB & Associates and attended by all members of the Board
-  **US Gulf Coast Marketing Tour** (April 2023) - attended by all members of the Board
-  **Capital Markets Update** (July 2023) - presented by BMO attended by all members of the Board
-  **Cybersecurity** (November 2023) - presented by MEG to all members of the Board
-  **Market Fundamentals** - quarterly presentations from management and outside advisors at regularly scheduled Board meetings and attended by all directors
-  **Compensation** - regular presentations from the Corporation's independent compensation consultant and attended by all Board members

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 C - Individual Directors' Continuing Education Activities in 2023".

If elected, all of our director nominees will be members of the Institute of Corporate Directors (ICD), with 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. This process also includes an assessment of the Board and committees by senior management of the Corporation.

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 to 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 their 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, 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".

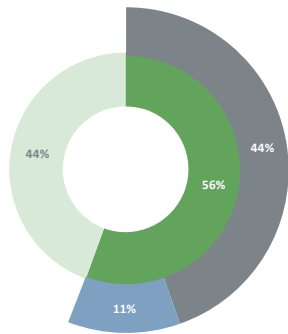
The Board does not impose mandatory retirement age requirements and term limits on directors and believes that these restrictions are arbitrary and overly prescriptive, and that Shareholders are best served by a balance between long-standing directors who have developed in-depth knowledge of the Corporation 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. If elected, two of the nine nominees for election at the Meeting will have been on the Board for greater than ten years, two of the nine nominees between six to ten years and five of the nine nominees will have been on the Board for less than five years. The Board's tenure profile balances experience, diversity and the need for Board renewal.

The following charts show the Corporation's director nominee tenure, age, and gender and racial/ethnic diversity:

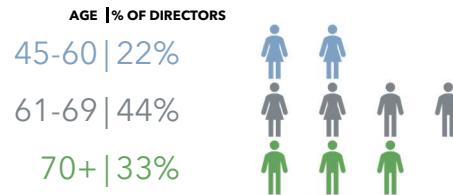
	Age			Tenure (years of service)		
	45-60	61-69	70+	0-5	6-10	11-15
Gary A. Bosgoed		●		●		
Darlene M. Gates	●			●		
Robert B. Hodgins			●			●
Kim Lynch Proctor	●			●		
Susan M. MacKenzie		●		●		
Jeffrey J. McCaig			●		●	
James D. McFarland			●			●
Diana J. McQueen		●			●	
Robert R. Rooney		●		●		
	2 (22%)	4 (44%)	3 (33%)	5 (56%)	2 (22%)	2 (22%)

### board diversity



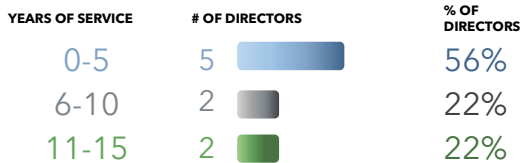
56% diverse  
4/9 female | 1/9 racial/ethnic

### director age



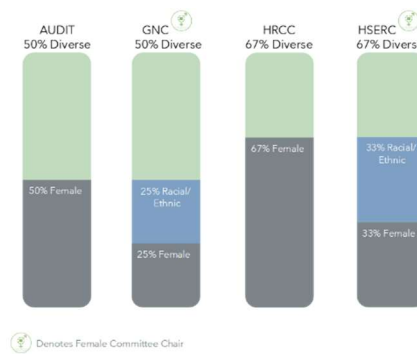
64.1 yrs.  
average age

### director tenure



5.9 yrs.  
average tenure

### committee diversity



59% diverse  
50% of committee chairs are female

## 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 the Majority Voting 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 their 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 the Majority Voting 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 their 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 the Majority Voting 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.sedarplus.ca](http://www.sedarplus.ca).

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 Respectful Workplace 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 the Insider Trading and Disclosure 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 Corporation. The Insider Trading and Disclosure 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 a Lobbying and Advocacy Policy to govern the Corporation's activities relating to public policy, participation in industry groups and lobbying and political contributions. The Lobbying and Advocacy 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 Lobbying and Advocacy 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 the Lobbying and Advocacy 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 and Advocacy 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".

On January 1, 2024, Canada's modern slavery legislation, *the Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "Modern Slavery Act"), came into force. The Modern Slavery Act requires Canadian entities to report on the steps taken during the previous financial year to prevent and reduce the risk of child and/or forced labour in their supply chains. Building on its current Human Rights Policy Statement, the Corporation evaluated its supply chains and has taken certain actions to ensure compliance with its obligations under the new legislation. The Corporation's first report detailing its compliance with the Modern Slavery Act is due May 31, 2024 and will be available on the Corporation's website at [www.megenergy.com](http://www.megenergy.com) under "Investors" - "Financial Information".

### *Indigenous Peoples Policy*

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

## 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 2023 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, 2023, indebted to the Corporation, or whose indebtedness to another entity is, or at any time since January 1, 2023 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, 2023, 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.sedarplus.ca](http://www.sedarplus.ca). 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.sedarplus.ca](http://www.sedarplus.ca). 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, 2023.

## Advisories

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

Certain financial measures in this Circular are supplementary financial measures and capital management measures. These measures are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. These 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 the 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 15 "Non-GAAP and Other Financial Measures" in MEG's annual 2023 MD&A.

#### *Free Cash Flow*

Free cash flow is a capital management measure and is defined in Note 25 of the Corporation's annual consolidated financial statements for the year ended December 31, 2023. Free cash 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. Free cash flow is presented to assist management and investors in analyzing performance by the Corporation as a measure of financial liquidity and the capacity of the business to repay debt and return capital to shareholders. Free cash flow is calculated as funds flow from operating activities excluding items not considered part of ordinary continuing operating results, less capital expenditures. A reconciliation of free cash flow is available in section 15 "Non-GAAP and Other Financial Measures" in MEG's annual 2023 MD&A.

#### *Non-energy Operating Costs*

Non-energy operating costs and energy operating costs are supplementary financial measures as they represent portions of operating expenses. Non-energy operating costs comprise production-related operating activities and energy operating costs reflect the cost of natural gas used as fuel to generate steam and power. Per barrel amounts are based on bitumen sales volumes.

### 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 Circular contains forward looking statements with respect to: the Corporation's 2024 strategy and focus; the focus and objectives of the Corporation's compensation programs; the Corporation's intention to allocate approximately 50% of free cash flow to shareholder returns with the remaining cash flow applied to ongoing debt reduction until the Corporation reaches its near-term debt target of US\$600 million; the Corporation's focus on the delivery of safe and reliable operations from the Christina Lake asset and continued investment in its Safety Leadership Development Program and its operational excellence initiatives; the Corporation's focus on its ESG priorities including a continued focus on advancing the Corporation's decarbonization initiatives; human capital development; and diversity, equity and inclusion; the CEO's 2024 objectives; and the Corporation's 2024 Corporate Performance 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 [www.sedarplus.ca](http://www.sedarplus.ca) 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, 2023. 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 resource and reserves data and other information associated with oil and gas activities as required by National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") and shall annually review 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 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:
  - (i) review and approve the content and filing of the Corporation's statements of reserves and resource data and other oil and gas information on Form 51-101F1.
  - (ii) review and approve the filing of reports on reserves and resource data by qualified reserves evaluators or auditors on Form 51-101F2.
  - (iii) review and approve the content and filing of reports of management and directors on oil and gas activities on Form 51-101F3, and
  - (iv) based on its review and the sub-certification of management, approve for filing the Corporation's Annual Information Form, which shall include the abovementioned statements and Forms.

#### **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,
- (e) reviewing the Corporation's ESG reports and other reporting on ESG matters, and
- (f) reviewing the Corporation's Modern Slavery Report required under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* and approving the filing of the Modern Slavery Report with Public Safety Canada.

#### 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.

Last reviewed and approved by the Governance and Nominating Committee on November 6, 2023.

Last approved by the Board on February 29, 2024.

## 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 their 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 their 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 their directorship, employment or consulting relationship between members of the Corporate Group or if the Participant is on a Leave of Absence (as defined in the Treasury-Settled RSU Plan).

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


### Individual Directors' Continuing Education Activities in 2023

In addition to internal continuing education sessions hosted by MEG, as described on page 62, our director nominees participated in the following continuing education activities:


 BOARD GOVERNANCE	Host/Presenter	Director(s)
A Quantum Leap in Governance	ICD	K. Lynch Proctor
Beyond 2023 Proxy Season Insights	ICD	S. MacKenzie
Board Oversight of Climate Change	ICD	S. MacKenzie
Board Oversight of Energy Transition	Institute of Corporate Directors (ICD)	S. MacKenzie
Climate Adaptation Strategies and the Board's Role	ICD	S. MacKenzie
ESG, Climate and Trust: The Board's Role	Deloitte	K. Lynch Proctor
Hot Topics in Governance	Norton Rose LLP	S. MacKenzie
Directors Education Program Panel Member	University of Calgary, ICD	G. Bosgoed
National Conference	ICD	K. Lynch Proctor, J. McCaig
Implications of the SVB Collapse for All Board Members	National Association of Corporate Directors (NACD)	S. MacKenzie
International ESG Reporting: ISSB and ESRS	KPMG	S. MacKenzie
Navigating Rising Expectations for Canadian Boards, Part 1	Institute of Corporate Directors (ICD)	K. Lynch Proctor, S. MacKenzie
Navigating Rising Expectations for Canadian Boards, Part 2	ICD	K. Lynch Proctor, S. MacKenzie
On The 2023 Board Agenda	KPMG	S. MacKenzie
The Role of Boards in Overseeing Culture	ICD	J. McFarland, S. MacKenzie


 BUSINESS	Host/Presenter	Director(s)
2nd Quarter Economic Update with Stephen Poloz	Osler	S. MacKenzie
3rd Quarter Economic Update with Stephen Poloz	Osler	S. MacKenzie
Arjun Murti - Profits Over Preaching	Veriten	S. MacKenzie
Business Forum	Bennett Jones	J. McCaig
Economic Update with Stephen Poloz	Osler	S. MacKenzie
M&A and Activism- Considerations for Directors	ICD/Tory's	K. Lynch Proctor, S. MacKenzie
The State of Organizations 2023	McKinsey	S. MacKenzie
Commodity Trading - USGC & Canada West Coast	Trafigura Luncheon	J. McFarland
Progressing Offshore CCS in the Gulf of Thailand - The Canadian Experience	VLE Thailand Offshore Site Visit	J. McFarland

 CLIMATE	Host/Presenter	Director(s)
Chapter Zero - Climate Disclosure and Reporting	Chapter Zero	K. Lynch Proctor
Climate Adaptation Strategies and the Board's Role	ICD	S. MacKenzie
Net-Zero: How Corporation Canada Can Lead in Redressing Climate Change	ICD	K. Lynch Proctor
The Board's Role - Climate Strategy and Decarbonization	KPMG	S. MacKenzie, J. McCaig
The Future of Sustainability Reporting with ISSB Standards	ICD	K. Lynch Proctor
The New Map Energy, Climate, Clash of Nations- Daniel Yergin	AERI	S. MacKenzie
XOM and Low Carbon Solutions	AERI	S. MacKenzie


 COMPENSATION	Host/Presenter	Director(s)
Annual Incentive Plans: The Basics	Meridian Thought Leadership	J. McFarland
Best Practices Around Executive Compensation Decision Making	Meridian Podcasts	J. McFarland
Challenges for Remuneration Committees	Deloitte	K. Lynch Proctor
Key Questions for the HR Committee	ICD	K. Lynch Proctor, S. MacKenzie
Rewarding Oversight: Exploring Board Member Compensation	Meridian Podcasts	J. McFarland
Trends in Executive Compensation	Diligent/Meridian Podcasts	J. McFarland

 ESG	Host/Presenter	Director(s)
Are Carbon Offsets Credible?	ARC Energy Research Institute (AERI)	S. MacKenzie
Canadian Global Energy Forum	CGEF	J. McCaig
CSR in Action in Fishing Communities Impacted by Offshore Oil & Gas Operations	VLE Thailand Community Visit	J. McFarland
Demystifying Greenwashing, Greenhushing and Greenwashing	KPMG	S. MacKenzie
Energy Roundtable	CGAI	J. McCaig
Energy Transition: The Path to Net Zero - 24 <sup>th</sup> World Petroleum Congress	WPC Energy	J. McFarland
ESG Symposium	CPA	K. Lynch Proctor
ESG: Beyond Compliance to Strategic Opportunity for Boards	ICD	K. Lynch Proctor, S. MacKenzie
Getting Your Board Comfortable with a Climate Emissions Target	ICD	S. MacKenzie
Global Energy Summit		J. McCaig
MEG Belonging: The Human Side of Unconscious Bias	MEG	J. McFarland
MEG Two Spirit Inclusion: Being an Ally to LGBTQ2S+ and Indigenous Communities	MEG	J. McFarland
New Climate Disclosure Standards - Impact on Boardrooms	ICD	S. MacKenzie
Sustainability Reporting	Deloitte LLP	S. MacKenzie
The New Global Baseline for Sustainability Reporting	ICD	S. MacKenzie
What are Scope 4 GHG Emissions?	AERI	S. MacKenzie
Why ESG Matters and What to do About it Now	ICD	K. Lynch Proctor
Why Net Zero Changes Everything: Governance Implications	ICD	S. MacKenzie

 FINANCE	Host/Presenter	Director(s)
Financial Reporting Developments for Public Companies	E&Y	K. Lynch Proctor
Latest Developments in Financial Reporting	E&Y	K. Lynch Proctor
Reshaping Your Finance Workforce With Generative AI	KPMG	S. MacKenzie
The ONE: CPA Conference	CPA Canada	K. Lynch Proctor
Thorny Topics for Audit Committees	Deloitte	K. Lynch Proctor

 INDUSTRY	Host/Presenter	Director(s)
2023 Key Energy Trend Lookback	AERI	S. MacKenzie
At an Inflection Point	Independent Petroleum Association of America	S. MacKenzie
Canadian Energy Executive Association Conference	CEEA	J. McCaig
Canada vs. US Energy - Where does the buck stop	Tudor Pickering Holt (TPH)	S. MacKenzie, D. McQueen
Canada's Energy Future	AERI	S. MacKenzie
Dr. Scott Tinker - The Energy/Climate Conundrum	Enerplus/ Whitecap/ Tourmaline/ Ovintiv	S. MacKenzie
Energy Market Update: Board Resolution Series	TPH	D. McQueen
Energy Market Update: Capital Allocation, Performance and Pitfalls	TPH	S. MacKenzie
Energy Market Update with a Canadian Focus	TPH	D. McQueen
Evolve Conference	CPA	K. Lynch Proctor
It Matters Where the Barrel Comes From	Veriten	S. MacKenzie
Talking Energy Policy with the Honourable Jonathan Wilkinson	AERI	S. MacKenzie
The Energy Transition Needs to Transition	Veriten	B. Rooney
The Future of Global Energy Summit		J. McCaig

 LEADERSHIP	Host/Presenter	Director(s)
21st Century Geopolitics & Leadership	Admiral Jim Stavridis, USN (Ret.)	B. Rooney
Canadian Competitiveness: Talent, Capital & Innovation	RRA	S. MacKenzie
The Board Director's Compass	Prof. D. Beatty	J. McCaig
The Real Deal Program - An Expert Panel on Corporate Governance and Ethical Decision-Making	Panelist	B. Hodgins
Professional Ethics Workshop	CPA Canada	K. Lynch Proctor
To The Top - Women in Corporate Leadership Success	Russell Reynolds Associates (RRA)	S. MacKenzie

 TECHNOLOGY	Host/Presenter	Director(s)
AI Regulatory Frameworks	Osler	S. MacKenzie
AI: What It Means for You and Canadian Competitiveness	Ben Fried	S. MacKenzie
Artificial Intelligence - A Primer	Osler	S. MacKenzie
Artificial Intelligence - Data, Intellectual Property and Privacy	Osler	S. MacKenzie
Cybersecurity	Deloitte LLP	B. Hodgins
Digital Transformation (DIT) Course	ICD	J. McCaig
Navigating AI in the Boardroom	ICD	K. Lynch Proctor
Navigating the AI Revolution	Caldwell	S. MacKenzie

	GENERAL	Host/Presenter	Director(s)
	Federal Budget Update	KPMG	K. Lynch Proctor
	Geopolitics in the Year Ahead	Deloitte	K. Lynch Proctor
	Reality is Stubborn - Dr. Dan Yergin	Veriten	S. MacKenzie
	Roundtable - Geopolitics and International Security	Spruce Meadows	J. McCaig
	Russian Energy Geopolitics	CGAI	J. McCaig
	Where To From Here - A Path to Canadian Prosperity	Osler	S. MacKenzie
	Where We Are in The Cycle	Veriten	S. MacKenzie

# QUESTIONS? NEED HELP VOTING?

## CONTACT US


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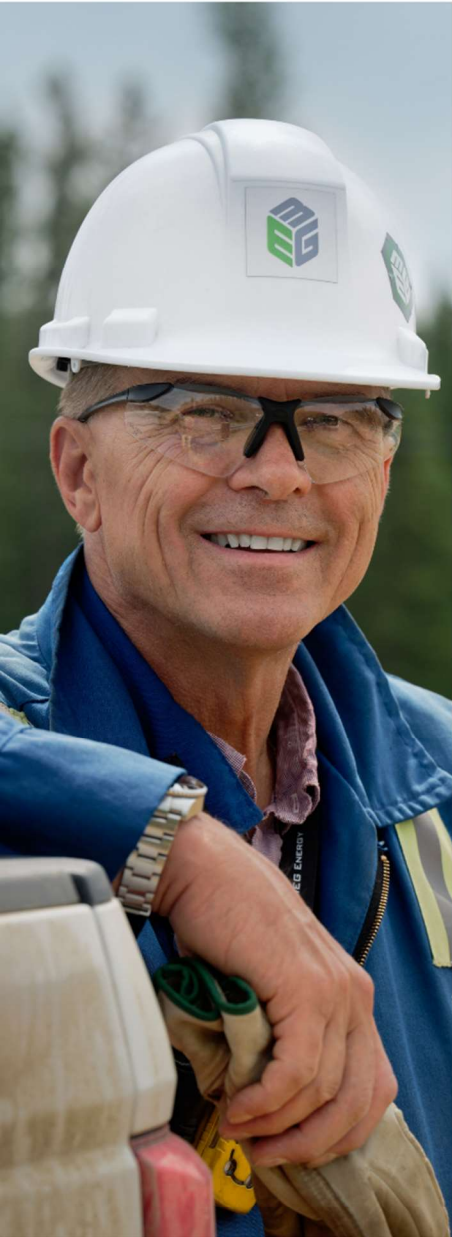
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**MEG**  
TO THE  
**CORE**

*Be the*  
**Example**  
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**Connect**  
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