

**MEG ENERGY CORP.**  
**COMPENSATION COMMITTEE**  
**CHARTER**

**1. MANDATE**

The mandate of the compensation committee (the "**Committee**") of MEG Energy Corp. (the "**Corporation**") is to assist the board of directors (the "**Board**") in fulfilling its stewardship with respect to developing compensation strategies for the directors and officers of the Corporation and implementing any equity-based compensation plans.

**2. MEMBERSHIP**

The Committee shall consist of at least three directors as determined by the Board. Each member shall be an independent director, as defined in the Corporation's Board of Directors Mandate, and at least 25 percent of the members shall be Canadian residents. Members shall be appointed from time to time at the pleasure of the Board. A member of the Committee shall cease to be a member of the Committee upon ceasing to be a director of the Corporation. The Board shall appoint the chair (the "**Chair**") of the Committee annually from among the members of the Committee. If in any year the Board does not appoint a Chair, the incumbent Chair shall continue in office until the Board appoints another person as Chair.

**3. DUTIES AND RESPONSIBILITIES**

The duties and responsibilities of the Committee shall be as follows.

- (a) Review annually and recommend for approval by the Board the compensation policies and guidelines for the Corporation and the Corporation's corporate goals and objectives relevant to compensation.
- (b) Review annually and recommend for approval by the Board the salaries and compensation of the Corporation's officers.
- (c) Conduct annually and report to the Board the results of performance appraisals of the Chief Executive Officer.
- (d) Review and recommend for approval by the Board grants of stock options or other equity-based compensation.
- (e) Review annually the Corporation's employee incentive plans, benefit plans and bonus plans, and review and recommend for approval by the Board any amendments thereto.
- (f) Review management's reports to the Committee on human resource issues.
- (g) Review annually and recommend for approval by the Board the executive compensation disclosure of the Corporation in its management information circular.

- (h) 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.
- (i) Review and approve any management contracts, change of control agreements, indemnity agreements, and significant consulting contracts.
- (j) Retain advisers and consultants, as considered necessary, to assist the Committee in the discharge of its responsibilities.

#### **4. ADMINISTRATIVE MATTERS**

The following general provisions shall have application to the Committee.

- (a) The Committee shall meet at least annually or as circumstances may require.
- (b) A majority of members of the Committee shall constitute a quorum, and no business may be transacted by the Committee except
  - (i) at a meeting of its members at which a quorum of the Committee is present in person or by telephone or other communication device that permits all persons participating in the meeting to speak and hear each other, or
  - (ii) by a resolution in writing signed by all the members of the Committee.
- (c) Any member of the Committee may be removed or replaced at any time by the Board and the Board may fill vacancies on the Committee.
- (d) The Committee may invite such advisers and directors, officers and employees of the Corporation as it may see fit from time to time to attend at meetings of the Committee and assist thereat in the discussion and consideration of the matters being considered by the Committee.
- (e) The time and place at which the meetings of the Committee shall be held and the calling of meetings and the procedure in all respects at such meetings shall be determined by the Committee, unless otherwise determined by the by-laws of the Corporation or by resolution of the Board.
- (f) The Chair shall preside at all meetings of the Committee, and in the absence of the Chair the members of the Committee present at a meeting shall appoint one of those members to act as chair of the meeting.
- (g) The Committee shall have the authority to
  - (i) conduct investigations and engage independent counsel and other advisers or consultants as it determines necessary to carry out its duties, and
  - (ii) set and pay the compensation for any advisers engaged by the Committee.

- (h) The Committee shall report to the Board on such matters and questions relating to the compensation of the directors and officers of the Corporation or any of its subsidiaries as the Board may from time to time refer to the Committee.
- (i) The members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of the Corporation and its subsidiaries and to discuss such books and records as are in any way related to the compensation of any one or more of the directors and officers of the Corporation with the officers and employees of the Corporation and its subsidiaries.
- (j) Subject always to Board approval, the Committee shall maintain a formal written charter that sets out the Committee's responsibilities, their manner of implementation, and any other requirements, and the Committee shall review and reassess the adequacy of the charter on an annual basis and recommend any proposed changes to the Board for approval.
- (k) At each meeting of the Committee, the independent directors shall have a meeting in the absence of non-independent directors and members of management.
- (l) The Chair of the Committee shall report on the Committee's activities on not less than an annual basis at a meeting of the Board.
- (m) Minutes of the Committee will be recorded and maintained and, upon request, will be promptly circulated to the directors who are not members of the Committee or, if that is not practicable, shall be made available at the next meeting of the Board.