



ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To Be Held On May 20, 2025

**NOTICE OF MEETING AND
INFORMATION CIRCULAR**

April 8, 2025

PINE CLIFF ENERGY LTD.

850, 1015 – 4th Street S.W.

Calgary, Alberta

T2R 1J4

**NOTICE OF ANNUAL AND SPECIAL MEETING OF THE
SHAREHOLDERS OF PINE CLIFF ENERGY LTD.**

TAKE NOTICE that the Annual and Special Meeting (the "**Meeting**") of the shareholders of **PINE CLIFF ENERGY LTD.** (the "**Company**") will be held at the offices of Bennett Jones LLP, 4500 Bankers Hall East, 855 2nd Street SW, Calgary, Alberta T2P 4K7 on Tuesday, May 20, 2025, at 11:00 a.m. (Calgary time) for the purposes of:

1. receiving and considering the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2024 and the related report of the auditor thereon;
2. electing the Company's board of directors for the ensuing year;
3. appointing Deloitte LLP, Chartered Accountants, Calgary, Alberta as the auditors of the Company for the ensuing year and authorizing the Company's board of directors to fix their remuneration;
4. considering and, if deemed advisable, passing, with or without variation, an ordinary resolution of Shareholders, as defined below, approving the share unit plan of the Company, as more fully described in the accompanying management information circular dated April 8, 2025 (the "**Information Circular**"); and
5. transacting such other business as may properly come before the Meeting or any adjournment or postponement of the Meeting.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular, accompanying, and forming part of, this notice. Only holders of common shares of the Company ("**Shareholders**") of record at the close of business on April 8, 2025 are entitled to notice of and to attend and vote at the Meeting or any adjournment thereof.

Registered Shareholders who are unable to attend the Meeting in person are requested to transmit their voting instructions online at <https://login.odysseytrust.com/pxlogin> or to date and sign the enclosed form of proxy and return it, in the envelope provided, to Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8. In order to be valid and acted upon at the Meeting, voting instructions must be transmitted online or forms of proxy must be returned to the aforesaid address not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment or postponement thereof. Shareholders who do not hold common shares of the Company in their own name are strongly encouraged to complete the voting instruction forms received from their broker as soon as possible and to follow the instructions set out under "Notice to Non-Registered Holders of Shares" in the accompanying Information Circular. Please monitor the Company's website at www.pinecliffenergy.com for Meeting updates if necessary.

DATED at Calgary, Alberta, this 8th day of April, 2025.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "Philip B. Hodge"

Philip B. Hodge

President and Chief Executive Officer

PINE CLIFF ENERGY LTD.

INFORMATION CIRCULAR

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

May 20, 2025

SOLICITATION OF PROXIES BY MANAGEMENT

This management information circular dated April 8, 2025 (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Pine Cliff Energy Ltd. ("**Pine Cliff**", the "**Company**" or the "**Corporation**") for use at the annual and special meeting of the holders ("**Shareholders**") of common shares of the Company ("**Common Shares**") to be held on Tuesday, May 20, 2025, at 11:00 a.m., Calgary time (the "**Meeting**") or at any adjournment or postponement thereof, for the purposes set forth in the notice of the Meeting (the "**Notice of Meeting**") accompanying this Information Circular.

Enclosed with this Information Circular is a form of proxy (the "**Proxy Form**") for use at the Meeting. A copy of the annual report, which includes the audited consolidated financial statements of the Company for the fiscal year ended December 31, 2024, has previously been distributed to the Shareholders. The Shareholders are entitled to vote and are encouraged to participate in the Meeting.

This solicitation is made on behalf of the management of the Company. The costs incurred in the preparation and mailing of the Notice of Meeting, Proxy Form and this Information Circular will be borne by the Company. Management does not contemplate a solicitation of proxies other than by mail.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so.

APPOINTMENT AND REVOCATION OF PROXIES

A Shareholder has the right to appoint a nominee, other than the persons designated in the Proxy Form (who does not need to be a Shareholder), to represent them at the Meeting, by inserting the name of their chosen nominee in the space provided for that purpose on the Proxy Form or by completing another proper Proxy Form. Such a Shareholder should notify the nominee of their appointment, obtain their consent to act as proxy and instruct them on how the Shareholder's shares are to be voted. In any case, the Proxy Form should be dated and executed by the Shareholder or their attorney authorized in writing. Registered shareholders may also cast their vote online (<https://login.odysseytrust.com/pxlogin>) by following the instructions provided on the Proxy Form.

A Proxy Form will not be valid for the Meeting or any adjournment or postponement of the Meeting unless it is completed and received by **Odyssey Trust Company, Trader's Bank Building, 702, 67 Yonge Street, Toronto, Ontario M5E 1J8** not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the date of the Meeting, or any adjournment or postponement thereof.

In addition to revocation by any other manner permitted by law, a Shareholder who has given a proxy may revoke it, by instrument in writing executed by the Shareholder or by their attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney of the Company

duly authorized and deposited at the registered office of the Company at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta, T2R 1J4, Attention: Corporate Secretary, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the chair of such Meeting on the date of the Meeting or any adjournment or postponement thereof.

NOTICE TO NON-REGISTERED HOLDERS OF SHARES

Only registered Shareholders ("**Registered Shareholders**") or the persons they validly appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (a "**Non-Registered Shareholder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") (including banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited), of which an Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Company will distribute copies of the Notice of Meeting, this Information Circular, and the Proxy Form to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Non-Registered Shareholders in advance of Shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Common Shares are voted at the Meeting. The Proxy Form supplied to a Non-Registered Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy Form provided directly to Registered Shareholders by the Company. However, its purpose is limited to instructing the Registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Non-Registered Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails the form to Non-Registered Shareholders and asks Non-Registered Shareholders to return the form to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Non-Registered Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. Pine Cliff is not sending proxy-related materials directly to non-objecting beneficial owners, pursuant to NI 54-101.**

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. **Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the Proxy Form or voting instruction form provided to them and return the same to their broker, or the broker's agent, in accordance with the instructions provided by such broker or agent.**

VOTING OF PROXIES

The persons named in the Proxy Form are directors and/or officers of the Company and have indicated their willingness to represent as proxy the Shareholders who appoint them. Each Shareholder may instruct their proxy how to vote their Common Shares by completing the blanks on the Proxy Form.

Common Shares represented by a properly executed Proxy Form in favour of the persons designated on the Proxy Form will be voted or withheld from voting in accordance with the instructions made on the Proxy Form, on any ballot that may be called for and, if Shareholders specify a choice as to any matters to be acted upon, such Shareholders' Common Shares shall be voted accordingly. In the absence of such instructions or choices, such Common Shares will be voted in favour of all matters identified in the Notice of Meeting.

The Proxy Form confers discretionary authority upon the persons named with respect to amendments and variations to matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. The Common Shares represented by the proxy will be voted on such matters in accordance with the best judgment of the person voting such Common Shares. At the time of printing of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS OF SHARES

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value and an unlimited number of Class B preferred shares, issuable in series ("**Preferred Shares**"). As of March 31, 2025 358,353,757 Common Shares and zero Preferred Shares were issued and outstanding. On all matters to be considered and acted upon at the Meeting, holders of Common Shares are entitled to one vote for each Common Share held.

The Company's board of directors (the "**Board**") has fixed April 8, 2025 as the record date (the "**Record Date**") for determining which Shareholders are entitled to receive the Notice of Meeting. A Shareholder of record at the close of business on the Record Date shall be entitled to vote the Common Shares registered in such Shareholder's name on that date, except to the extent that: (a) such person transfers their Common Shares after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes their ownership to the Common Shares, and makes a demand to the registrar and transfer agent of the Company, not later than ten (10) days before the Meeting, that their name be included on the Shareholders' list.

To the knowledge of the directors and officers of the Company, as at April 8, 2025, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than 10% of the votes which may be cast at the Meeting except as set out in the table below:

<u>Name and Municipality of Residence</u>	<u>Number of Common Shares</u>	<u>Percent</u>
Alberta Investment Management Corporation Edmonton, Alberta	36,056,954	10.1%

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of one or more persons either present in person or represented by proxy and representing in the aggregate not less than 5% of the outstanding Common Shares. Generally, if a quorum is not present at a Shareholders' meeting within one half hour after the time fixed for the holding of such meeting, it shall stand adjourned to the same day of the following week. At such adjourned meeting, provided there are at least two Shareholders present, such Shareholders shall form a quorum.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and more particularly discussed below.

1. Consolidated Financial Statements

The audited consolidated financial statements of the Company for the year ended December 31, 2024 and the related report of the auditor will be placed before the Meeting. These financial statements and the auditor's report are contained in the Company's annual report which has previously been distributed to Shareholders.

2. Election of Directors

Pine Cliff's Articles of Amalgamation ("**Articles**") provide for the Board to consist of a minimum of one and a maximum of 15 directors. The Articles permit the Board to appoint additional directors between annual meetings of Shareholders, provided that the total number of directors so appointed does not exceed, at any time, one-third of the number of directors who hold office immediately after the preceding annual meeting of Shareholders.

At the present time, Pine Cliff has six directors, being Ms. Hilary A. Foulkes, Messrs. Robert B. Fryk, Philip B. Hodge, Calvin B. Jacober, William S. Rice and Ms. Jacqueline R. Ricci. Pursuant to the *Business Corporations Act* (Alberta) ("**ABCA**"), the current directors of the Company cease to hold office at the close of the Meeting. The Board currently considers six directors to be an appropriate size for effective oversight and decision-making in discharging its responsibilities.

At the Meeting, it is proposed that six persons be elected as directors of the Company, to serve until the next annual meeting of Shareholders or until their successors are duly elected or appointed. The Board is pleased to nominate Ms. Hilary A. Foulkes, Messrs. Robert B. Fryk, Philip B. Hodge, Calvin B. Jacober, William S. Rice, K.C. and Ms. Jacqueline R. Ricci for re-election.

The persons designated in the Proxy Form, unless instructed otherwise, intend to vote for the election of the nominees listed in the table below. Management does not contemplate that any of the nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the Proxy Form reserve the right to vote for any other nominees in their discretion.

The names and municipalities of residence of the six proposed directors of the Company, the number of Common Shares beneficially owned or controlled or directed at the date hereof, directly or indirectly, by each proposed director, the offices held by each proposed director in the Company, the period served as director of the Company and the present principal occupation of each proposed director for the past five years are as follows:

Name and Municipality of Residence	Number Of Common Shares Beneficially Owned, Controlled or Directed ⁽¹⁾	Time As Director	Principal Occupation
HILARY A. FOULKES ⁽²⁾ Calgary, Alberta Canada	42,000	Director since 2023	Director of Chord Energy from May 2024 to present and former Chair of the Board of Directors of Enerplus Corporation until its combination with Chord Energy in May 2024.
ROBERT B. FRYK ⁽²⁾ Calgary, Alberta Canada	250,000	Director since 2021	Private investor. President and Chief Executive Officer of Gain Energy from February 2017 until March 2021.
PHILIP B. HODGE Calgary, Alberta Canada	10,787,747	Director since 2011	President and Chief Executive Officer of Pine Cliff since January 2012.
CALVIN B. JACOBBER ⁽²⁾ Calgary, Alberta Canada	80,000	Director since 2022	Vice Chair Western Canada PricewaterhouseCoopers LLP from 2018 to 2022 and Calgary office Managing Partner from 2012 to 2017.
WILLIAM S. RICE, K.C. Calgary, Alberta Canada	1,359,881	Director since 2016	Private investor. Chair of the Board of Pine Cliff since May 2023
JACQUELINE R. RICCI ⁽²⁾ Toronto, Ontario Canada	477,457	Director since 2020	Equity Portfolio Manager of J. Zechner & Associates from 1997 to present.

Notes:

- (1) The information as to the number of Common Shares beneficially owned or controlled by directors as at April 8, 2025, not being within the knowledge of the Company, has been furnished to the Company by the individual nominees.
- (2) Members of Pine Cliff's Audit Committee, Reserves Committee and Governance, Nomination and Compensation Committee.
- (3) Each of the Board Committees will be reconstituted following the Meeting.

Advance Notice Provisions

The Company has adopted by-laws (the "**By-laws**") which contain advance notice provisions regarding advance notice of nominations of directors of the Company (the "**Advance Notice Provisions**"). The Advance Notice Provisions provide that advance notice to the Company must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a "proposal" made in accordance with the ABCA; or (b) a requisition of a meeting made pursuant to the ABCA.

The Advance Notice Provisions fix a deadline by which Shareholders must submit director nominations to the Corporate Secretary of the Company prior to any annual or special meeting of shareholders and outline the specific information that a nominating shareholder must include in the written notice to the Corporate Secretary of the Company for an effective nomination to occur. No person nominated by a Shareholder will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions.

In the case of an annual meeting of Shareholders, notice to the Corporate Secretary of the Company must be made not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of

Shareholders (which is not also an annual meeting), notice to the Corporate Secretary of the Company must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

In the event of an adjournment or postponement of an annual meeting or special meeting of Shareholders or any announcement thereof, a new time period shall commence for the giving of timely notice.

The Board may, in its sole discretion, waive any requirement of the Advance Notice Provisions of the By-laws.

Corporate Cease Trade Order or Bankruptcies

Other than as set forth below, none of those persons who are proposed directors of the Company is, or has been within the past ten years:

- (a) a director, chief executive officer or chief financial officer of any company, including the Company, that while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days, or was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the company and resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a director or executive officer of any company, including the Company, that while 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 became personally bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Mr. Fryk was the President and Chief Executive Officer of Gain Energy Ltd., a private oil and natural gas company, which filed a voluntary assignment in bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) on March 8, 2021.

Ms. Foulkes was a director of Parallel Energy Trust ("**Parallel**"), a Canadian-based oil and gas trust, which commenced proceedings in the Court of Queen's Bench of Alberta under the Companies' Creditors Arrangement Act (Canada) ("**CCAA**") on November 9, 2015. Ms. Foulkes ceased to be a director of Parallel on March 1, 2016. Parallel filed an assignment in bankruptcy and proceedings under the CCAA were terminated in March 2016.

None of those persons who are proposed directors of the Company 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 security holder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

At the Meeting, it is the intention of the persons named in the Proxy Form to vote in favour of a resolution to appoint Deloitte LLP, Chartered Accountants, Calgary, Alberta, to serve as auditors of the Company until the next annual meeting of Shareholders and to authorize the Board to fix the remuneration of the auditors.

4. Approval of Share Unit Plan

On March 5, 2025, the Board approved and adopted a share unit plan (the "**Share Unit Plan**"). The Share Unit Plan provides for the grant of share units ("**Share Units**") and deferred share units ("**DSUs**" and together with Share Units, "**Awards**"). Awards under the Share Unit Plan may be settled in cash or Common Shares issued from treasury or acquired in the open market, or a combination of cash and Common Shares, at the election of the Company. The Company is proposing the introduction of a Share Unit Plan to supplement its existing stock option plan. This strategic decision is designed to further incentivize and retain key talent within our organization, support our long-term growth objectives, and enhance Shareholder value through an equity-based incentive plan.

Purpose and Structure of the Share Unit Plan

The Share Unit Plan is designed to: (i) align the interests of our employees, executives, and Shareholders by emphasizing the long-term value of the Common Shares; (ii) serve as a long-term incentive to attract and retain top talent at Pine Cliff; and (iii) offer flexibility to Pine Cliff by allowing discretion in providing either cash or stock payments as part of the long-term incentive component of employee compensation. Through this equity compensation, Pine Cliff seeks to create a balanced structure that directly ties rewards to the performance of Common Shares and the Company's future success.

The Share Unit Plan sets the maximum number of Common Shares reserved for issuance, in the aggregate, pursuant to the settlement of Awards granted under the Share Unit Plan at 5% of the number of Common Shares issued and outstanding on a non-diluted basis from time to time. The Share Unit Plan sets the maximum number of Common Shares reserved for issuance, in the aggregate, pursuant to the Share Unit Plan, together with any other security-based compensation arrangement of the Company, including the Stock Option Plan, as defined herein, at 10% of the number of Common Shares issued and outstanding on a non-diluted basis from time to time. Since the Common Shares issuable under the Share Unit Plan represent a subset of the Common Shares issuable under all security-based compensation, the adoption of the Share Unit Plan, if approved by Shareholders at the Meeting, will not result in additional potential dilution to Shareholders.

As of the date hereof, 26,887,744 Options, as defined herein are outstanding, which represents 7.50% of the 358,407,091 Common Shares issued and outstanding and 8,952,965 Common Shares remain available to be reserved for issuance under the Stock Option Plan, leaving approximately 8,952,965 Common Shares currently available to be reserved for issuance pursuant to new grants under the Stock Option Plan and, if approved by Shareholders at the Meeting, under the Share Unit Plan, collectively.

Pursuant to the policies of the TSX, the Share Unit Plan must be approved by the Shareholders of the Company. Accordingly, at the Meeting, the Shareholders of the Company will be asked to pass an ordinary resolution to approve the Share Unit Plan. Shareholders may either for "FOR" or "AGAINST" the approval

of the Share Unit Plan. The Share Unit Plan is subject to the approval of the TSX and the Shareholders at the Meeting. If approved, pursuant to the policies of the TSX, the Share Unit Plan must be reapproved by the Shareholders of the Company every three years.

Summary of the Share Unit Plan

The following is a summary of the key provisions of the Share Unit Plan and is qualified in all respects by the full text of the Share Unit Plan, a copy of which is attached hereto as Schedule "B". All terms used but not otherwise defined herein have the meaning ascribed thereto in the Share Unit Plan.

Eligibility and Awards. The Share Unit Plan permits the Company to grant Share Units to eligible directors, executive officers or employees of the Company and DSUs to non-employee directors of the Company. DSUs may be awarded to non-employee directors on a discretionary basis or, at the advance irrevocable election of the non-employee director, in satisfaction of their retainer, or a portion thereof, which would otherwise be paid in cash.

Settlement. Awards under the Share Unit Plan may be settled in cash or Common Shares issued from treasury or acquired in the open market, or a combination of cash and Common Shares, at the election of the Company.

Assignability. Awards are personal to the Share Unit Plan participant and may not be transferred or assigned, except in the case of death or incapacity of the participant.

Termination. If a participant ceases to be a director, executive officer or employee of the Company involuntarily (other than for Cause, death or disability) or as a result of their Retirement (as defined in the Share Unit Plan), any unvested Awards shall vest on a pro rata basis based on the amount of time elapsed in the vesting period, and all vested awards, including those that vest as a result of the proration, will be redeemed and settled. If a participant ceases to be a director, executive officer or employee of the Company for any other reason, all unvested Awards will be forfeit for no consideration and any vested Awards will be redeemed and settled.

Plan Limits. The maximum number of Common Shares issuable pursuant to the Share Unit Plan shall not exceed 5% of the issued and outstanding Common Shares from time to time, and the maximum number of Common Shares issuable pursuant the Share Unit Plan, together with all other security based compensation arrangement, shall be equal to 10% of the issued and outstanding Common Shares from time to time. The Share Unit Plan is considered an "evergreen" plan, since if the Common Shares covered by Awards are settled or terminated for any reason without having been settled, they shall be available for subsequent grants under the Share Unit Plan. The Share Unit Plan is subject to the approval of the TSX and the Shareholders at the Meeting, accordingly, no Awards have been granted nor are outstanding under the Share Unit Plan.

Insider Participation Limits. The Share Unit Plan limits insider participation such that the number of Common Shares issued within a one-year period and issuable at any time to insiders (as a group), under the Share Unit Plan and any other security-based compensation arrangement, does not exceed 10% of issued and outstanding Common Shares.

Other Participation Limits. The aggregate value of Awards granted to any non-employee director, together with the value of entitlements granted to that director under all other security based compensation arrangement, shall not exceed \$150,000 in any one-year period, of which not more than \$100,000 of value may be in the form of Options granted under any other security based compensation arrangements of the Corporation. The aggregate number of Awards granted to any one person in any 12-month period shall not

exceed 5% of the issued and outstanding Common Shares, calculated on the date an Award is granted to the person, unless the Corporation has obtained the requisite disinterested Shareholder approval.

Vesting and Term. The Board shall have discretion to determine any vesting conditions with respect to Share Units and discretionary DSUs, including performance criteria. The Share Units must not be settled later than December 15th in the third calendar year following the calendar year in respect of which the Share Units were granted. A non-employee director's DSUs will be settled following their departure from the Corporation.

Dividend Equivalent. The Board may determine in its discretion to award additional Share Units or DSUs, as applicable, in respect of Awards credited to a participant's account on the same basis as cash dividends declared and paid on Shares. The number of Awards so credited shall be equal to (i) the number of Awards in the participant's account on the date that dividends are paid multiplied by the dividend paid per Share, divided by (ii) the market price per share calculated as of the date that dividends are paid. Any additional Awards credited to a Participant's Account as a dividend equivalent shall be subject to the same terms and conditions as the Awards in respect of which such additional Awards are credited, and shall be counted towards the participation limits.

Change of Control. Except as otherwise determined by the Board, in its discretion, if the Corporation completes a transaction constituting a Change of Control (as defined in the Share Unit Plan) and concurrently with, or within 12 months following, the Change of Control, a participant has their employment or directorship terminated, then all unvested Awards vest and be settled on vesting.

Amending Provisions. The Board may amend, modify or terminate the Share Unit Plan at any time without the consent of the participants or Shareholders, subject to any required approval of the TSX, provided that no amendment will be made to the Share Unit Plan or any Award granted thereunder without the consent of the applicable participant, if such amendment would adversely alter or impair the rights of such participant.

The Board shall be required to obtain shareholder approval, including, if required by the TSX, disinterested Shareholder approval, to make the following amendments: any amendment to the maximum percentage or number of Common Shares that may be reserved for issuance pursuant to the settlement of Awards; any amendment which would permit Awards to be transferable or assignable other than for normal estate settlement purposes; any amendment to the definition of an "Eligible Participant" under the Share Unit Plan; any amendment to the participation limits; and any amendment to the amending provisions.

(a) Shareholder Approval of the Share Unit Plan

"BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the share unit plan (the "**Share Unit Plan**") of Pine Cliff Energy Ltd. (the "**Company**") described in, and attached as Schedule "B" to, the management information circular of the Company dated April 8, 2025, be, and the same hereby is, approved as the Share Unit Plan of the Company and the Company is hereby authorized to grant awards under the Share Unit Plan until May 20, 2028;
2. the directors of the Company be, and they hereby are, authorized and empowered to make such amendments to the Share Unit Plan as the directors shall consider necessary or desirable in order to satisfy the requirements or requests of any regulatory authority or stock exchange, including, without limitation, the Toronto Stock Exchange, without further notice to, or approval of, the shareholders of the Company;

3. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this resolution."

5. Other Matters to be Acted Upon

The Company knows of no other matters to be brought before the Meeting. If any amendment, variation or other business is properly brought before the Meeting, the enclosed Proxy Form and voting instruction confers discretion on the persons named on the Proxy Form to vote on such matters.

**INTEREST OF CERTAIN PERSONS OR
COMPANIES IN MATTERS TO BE ACTED UPON**

Management of the Company is not aware of any material interest of any person who has been a director or executive officer of the Company since the beginning of its last financial year, any nominee for election as a director of the Company or of any associate or affiliate of any of those persons in respect of any matter to be acted on at the Meeting, except as specifically provided herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interests, direct or indirect, of any "informed person" (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Company, any proposed nominee for election as a director of the Company or any associate or affiliate of any such person or proposed nominee in any transaction since the beginning of the most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or proposed director, executive officer or employee of the Company, or any former director, executive officer or employee of the Company, or any associate of any of the foregoing, is, or has been at any time during the most recently completed financial year, indebted to the Company, either in connection with the purchase of the Company's securities or otherwise.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

Set out below are the particulars of compensation paid to the following persons (the "Named Executive Officers"):

- a) the Company's chief executive officer ("CEO")
- b) the Company's chief financial officer ("CFO");
- c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity or other management role, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation*, for that financial year; and
- d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2024, the Company had six Named Executive Officers, being Philip Hodge, President and Chief Executive Officer; Terry McNeill, Chief Operating Officer; Alan MacDonald, Chief Financial Officer and Corporate Secretary from January 1, 2024 to April 30, 2024; Kristopher Zack, Chief Financial Officer and Corporate Secretary from May 1, 2024 to the end of the year (previously Vice President Finance from January 1, 2024 to April 30, 2024), Daniel Keenan, Vice President Exploration from May 1, 2024 to the end of the year and Austin Nieuwdorp, Vice President Finance from May 1, 2024 to the end of the year.

Compensation Discussion and Analysis

Compensation Governance

The Board is responsible for setting the overall compensation strategy of the Company and overseeing and reviewing the Company's executive compensation program. As part of its mandate, the Board approves the appointment of the Company's executive officers and Pine Cliff's Governance, Nomination and Compensation Committee (the "GNCC") approves the remuneration of the Company's CEO. In addition, the Board will review and approve recommendations of the CEO relating to the general compensation structure and policies and programs for the Company and the salary and benefit levels for the Company's executive officers.

All of the members of the Board have direct experience that is relevant to their responsibilities in executive compensation, as they have each managed executives and/or business leaders in their current and/or past roles. In these roles, they have participated in compensation planning sessions, made compensation decisions and participated in compensation discussions with and without the use of external consultants.

Lane Caputo Compensation Inc. ("**Lane Caputo**"), an independent compensation consulting firm, was originally engaged in 2021 to review the Company's approach to executive compensation and assess the design of the Company's compensation program compared to its peers. Lane Caputo was re-engaged by the Company in 2024 to provide advice in respect of an employee and Board compensation review and the

adoption of the Share Unit Plan. In connection with the services provided, Lane Caputo received the following compensation in each of the two most recently completed financial years:

	2024	2023
Executive Compensation -Related Fees	\$9,500	-
All Other Fees	\$7,761 ⁽¹⁾	-
Total	\$17,261	-

Notes:

(1) Includes consulting fees paid to Lane Caputo for the Company's employees on the share unit plan in Schedule B.

Notwithstanding the services provided by Lane Caputo described above, no consultants have been hired by the Board for setting compensation levels in 2024; however, comparatives to peers in similar positions and similar roles have been considered. Base salaries for officers, including the CEO, are established at levels comparable to base salaries paid by the Company's industry peer group. In assessing comparability, the Company relies upon a review of base salary amounts as disclosed by industry peers in their public disclosure documents. The peer group for benchmarking considered by the Board consists of other oil and gas exploration and development companies with similar size, financial capacity and business complexity, including Bonterra Energy Corp., Cardinal Energy Ltd., InPlay Oil Corp., Journey Energy Inc., Kelt Exploration Ltd., Logan Energy Corp., Lucero Energy Corp., Rubellite Energy Corp., Surge Energy Inc. and Yangarra Resources Ltd. Consideration is given to the time period evaluated in industry surveys and public data and to the business climate applicable at the time with respect to industry demand for experienced personnel. Salaries of officers, including that of the CEO, are reviewed annually.

Compensation Elements

The objective of the Company's executive compensation program is to attract, motivate, reward and retain talent that is needed to achieve the Company's business objectives. The compensation program is designed to ensure that compensation is competitive with companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Company.

The Pine Cliff executive compensation program is comprised of the following principal components:

- a) base salary;
- b) short-term incentive compensation comprised of discretionary cash bonuses based on both corporate and individual performance; and
- c) long-term incentive compensation comprised of Options.

Base Salaries

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. These base salaries are reviewed annually by the GNCC and consideration is given to, among other things, level of responsibility, experience and expertise of the individuals being reviewed. Salaries of the executive officers are not determined based on benchmarks or a specific formula, although comparable salaries at similar sized companies in the oil and gas industry are considered. The GNCC determines the salary of the CEO and the Board, upon the recommendation of the

GNCC, approves salaries recommended by the CEO for the other executive officers of the Company. The CEO approves the salaries for the employees of the Company and these are also reviewed by the GNCC.

Bonus Plan

The Board, upon recommendation of the GNCC, approves cash bonus payments to reward executive officers for their contribution to the achievement of corporate accomplishments in carrying out the strategy and vision of Pine Cliff. The bonus pool currently available for distribution to the Company's employees consists of a range from 1.00% to 5.50% of adjusted funds flow (cash flow from operating activities before adjusting for changes in non-cash working capital and decommissioning obligations settled). The Board, upon recommendation of the GNCC, will determine for each bonus period the percentage of the bonus pool to be set within that range. Typically, Pine Cliff has historically paid a cash bonus to its executive officers twice a year, generally in November for the first three quarters of the year and in March for the previous years' fourth quarter. The GNCC determines the bonus of the CEO. The Board considers, and if thought appropriate, approves the bonuses recommended by the CEO for the other executive officers of the Company. The CEO approves the bonuses for the employees of the Company and these are also reviewed by the GNCC.

Stock Option Plan

The Company has adopted an equity settled stock option plan (the "**Stock Option Plan**") pursuant to which the Company may grant options ("**Options**") to eligible directors, executive officers, employees and consultants of the Company (each of which are eligible participants under the Stock Option Plan). The Stock Option Plan is an integral component of the Company's total compensation program in terms of attracting and retaining key employees and enhances Shareholder value by aligning the interests of executives and employees with the growth and profitability of the Company. The longer-term focus of the Stock Option Plan complements and balances the other shorter-term elements of the compensation program of the Company.

In determining the number of Options to be granted to individuals, the Board, on the recommendation of the GNCC, considers the amount, terms and vesting levels of existing Options held by the individuals and also the number of Options remaining available for grant by the Company in the future to attract and retain other management, technical and administrative staff. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made, and is anticipated to be made, by the optionee to the business and affairs of the Company, the number of Options that have already been granted to the optionee and such other factors as the GNCC may consider relevant. The Board, upon recommendation of the GNCC, determines the number of Options to be granted to the CEO and considers, and if thought appropriate, approves Option grants recommended by the CEO for the other executive officers, employees and consultants of the Company.

Directors, management, employees and consultants of the Company who, in the judgment of the Board, the GNCC and the CEO, will contribute to its future growth and success, are eligible to participate in the Stock Option Plan. The exercise price per Common Share shall not be lower than the closing price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") on the last trading day preceding the date of grant. In the event that the Common Shares are listed for trading on the TSX and no trades of the Common Shares have taken place on the TSX on any trading day within a five-day period immediately preceding the date of grant, the GNCC may, in its sole discretion subject to TSX approval, select as the exercise price per Common Share the weighted average trading price of the Common Shares on the TSX over the last ten (10) trading days on which the Common Shares traded on the TSX immediately preceding the date of the grant. The term of an Option shall not be less than one (1) year and not more than five (5) years from the date of

grant. Unless otherwise specified, Options vest as to one-third of the entitlement each year following the date of grant.

Options are exercisable only during the term of employment or service of an employee, consultant, director or officer when the optionee is considered to be an "Eligible Participant" under the Stock Option Plan. In the event of termination of employment with cause, no Option may be exercised following the date on which the optionee ceases to be an Eligible Participant. In the event of death of an optionee, any vested Option held by the optionee shall be exercisable, if the Option was issued ten days or more prior to the date of death, to the person or persons the rights under the Option shall pass to by law for a period of 60 days after the date of death or prior to the expiration of the Option, whichever is sooner. If an optionee ceases to be an Eligible Participant for any other reason than the above, including termination without cause, any vested Option may be exercised for a period of 10 days after the date the optionee ceases to be an Eligible Participant. All benefits, rights and Options accruing to any Eligible Participant shall not be assignable or transferable, other than in the event of death.

The issuance of Common Shares under the Stock Option Plan to any one Eligible Participant in any 12-month period shall not exceed 5% for employees, directors and officers and 2% for consultants, respectively, of the issued Common Shares (on a non-diluted basis) at the time of grant of any Option (including the Common Shares that are subject to such Option). In addition, the issuance of Common Shares under the Stock Option Plan to all Eligible Participants conducting Investor Relations Activities (as defined in the Stock Option Plan), in any 12-month period shall not exceed 2% of the issued Common Shares (on a non-diluted basis) at the time of grant of any Option (including the Common Shares that are subject to such Option). The aggregate number of Common Shares (i) issued to Insiders (as defined in the Stock Option Plan) within any one year period, or (ii) issuable to Insiders at any time, under the Stock Option Plan or under any other security based compensation arrangements cannot exceed 10% of the Company's total issued and outstanding securities, respectively.

The Board reserves the right to amend, modify or terminate the Stock Option Plan at any time without shareholder approval subject to the rules of the TSX. Any amendment to any provision of the Stock Option Plan shall be subject to approval, if required, by the TSX or any regulatory body having jurisdiction over the securities of the Company, and, if required, by the Shareholders in the manner prescribed by the TSX or any regulatory body having jurisdiction over the Company from time to time.

As of December 31, 2024, 27,256,078 Options were outstanding which represented 7.6% of the 358,100,387 Common Shares then issued and outstanding. As of December 31, 2024, 8,553,960 Options remained available for future issuance.

In 2024, there were 12,970,857 Options granted with a weighted average number of Common Shares issued and outstanding of 357,374,554, which resulted in a burn rate of 3.6%; in 2023 there were 11,603,180 Options granted, which resulted in a burn rate of 3.3%; and in 2022, there were 7,161,600 Options granted, which resulted in a burn rate of 2.1%. The burn rate measures the potential dilutive effect of Options granted on the Company's Common Shares issued and outstanding.

Risks Associated with Compensation Policies and Practices

The oversight and administration of the Company's executive compensation program require the Board and the GNCC to consider risks associated with the Company's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at annual reviews and also throughout the year whenever it is deemed necessary by the GNCC.

Key considerations regarding compensation risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;
- balance of short-term performance initiatives with equity based awards that vest over time;
- ensuring overall expense to the Company of the compensation program does not represent a disproportionate percentage of the Company's revenues, after giving consideration to the development stage of the Company; and
- utilizing compensation policies that do not rely solely on the specific accomplishment of specific tasks without consideration to longer term risks and objectives.

For the reasons set forth below, the GNCC believes that the Company's current executive compensation policies and practices achieve an appropriate balance in relation to the Company's overall business strategy and do not encourage executives to expose the Company to inappropriate or excessive risks. The base salaries set for the Company's executives are intended to provide a steady income regardless of Common Share price performance, allowing executives to focus on both near-term and long-term goals and objectives without undue reliance on short-term Common Share price performance or market fluctuations.

While a significant feature of the Company's current executive compensation practice is the awarding of Options under the Stock Option Plan, and while such compensation is "at risk" (i.e. not guaranteed), the Company's long-term incentive plans are designed such that Options vest over a three-year period and therefore encourage sustainable Common Share price appreciation and reduce the risk of actions which may have short-term advantages.

Compensation payable in the form of cash bonuses is overseen by the GNCC and the Board. The Board does not consider the applicable periods set for bonus purposes to be heavily weighted to the short-term and believes it has struck an appropriate balance between short-term performance incentives and long-term awards that vest over time.

Group Registered Retirement Savings Plan ("RRSP")

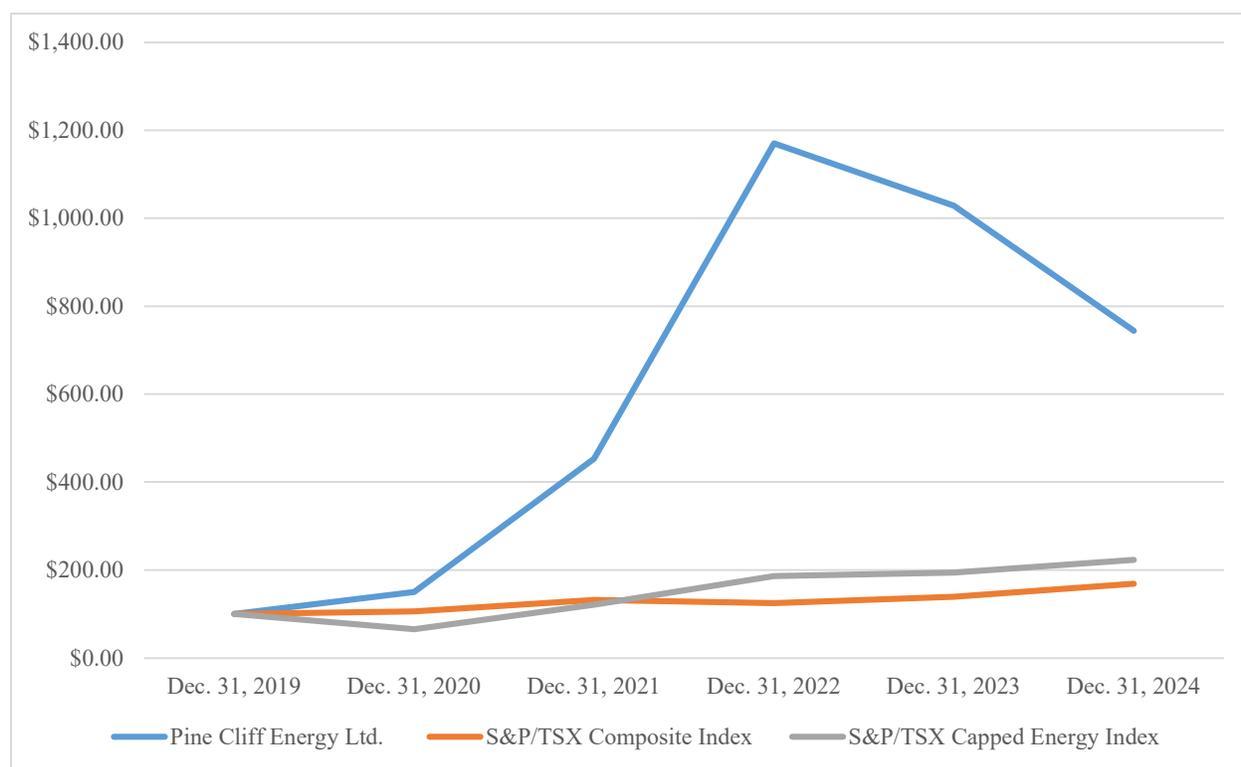
Effective January 1, 2022, the Company introduced a matching group RRSP, whereby the Company matched employees' contributions to a group RRSP, up to a maximum of 4.0% of each employee's annual salary. This was increased to a maximum of 5.0% of each employee's annual salary effective January 1, 2023.

Financial Instruments

The Company does not have a policy that would prohibit a Named Executive Officer or director from personally purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. Such investments will be at the sole risk of the Named Executive Officer or director and the Company will not be at any risk. Management is not aware of any Named Executive Officer or director purchasing any such instruments related to the Common Shares.

Performance Graph

The following graph compares the yearly percentage change in the cumulative shareholder return over the last five (5) years of the Common Shares (assuming a \$100 investment was made on December 31, 2019 and all dividends were reinvested) and the cumulative total return of the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index.



	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
Pine Cliff Energy Ltd.	\$100.00	\$149.85	\$452.88	\$1,170.66	\$1,028.68	\$743.77
S&P/TSX Composite Index	\$100.00	\$105.60	\$132.10	\$124.38	\$138.99	\$169.09
S&P/TSX Capped Energy Index	\$100.00	\$65.36	\$121.02	\$186.40	\$194.12	\$223.07

Total Shareholder Return ("TSR") and its Relationship with Executive Compensation

Executive compensation is defined as the aggregate of base salary, annual cash bonuses (if any), Options, and any other miscellaneous types of benefits that may periodically be granted to an executive. When the Board determines overall compensation, it considers a number of factors and performance measures. Although TSR is one performance measure that is reviewed, it is not the only consideration. As a result, a direct correlation between TSR over a given period and executive compensation levels is not anticipated.

Summary Compensation Table

The following table sets forth a summary of the annual and long-term compensation for services paid for the three most recently completed financial years for individuals who were Named Executive Officers during the year ended December 31, 2024.

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽¹⁰⁾	Total compensation (\$)
					Annual incentive plans ⁽⁹⁾	Long term incentive plans			
Philip B. Hodge, President and Chief Executive Officer ⁽⁴⁾	2024	367,000	nil	460,219 ⁽¹⁾	194,203	nil	nil	15,780	1,037,202
	2023	355,000	nil	503,019 ⁽²⁾	420,971	nil	nil	15,390	1,294,380
	2022	350,000	nil	662,112 ⁽³⁾	595,862	nil	nil	14,000	1,621,974
Terry L. McNeill, Chief Operating Officer	2024	290,000	nil	287,637 ⁽¹⁾	97,101	nil	nil	14,500	689,238
	2023	280,000	nil	301,811 ⁽²⁾	231,764	nil	nil	14,000	827,575
	2022	275,000	nil	397,267 ⁽³⁾	328,504	nil	nil	11,000	1,011,771
Alan MacDonald, Chief Financial Officer and Corporate Secretary ⁽⁵⁾	2024	83,333	nil	nil	nil	nil	nil	4,167	87,500
	2023	235,000	nil	241,449 ⁽²⁾	165,216	nil	nil	11,750	653,415
	2022	225,000	nil	317,814 ⁽³⁾	229,156	nil	nil	9,000	780,970
Kristopher B. Zack, Chief Financial Officer and Corporate Secretary ⁽⁶⁾	2024	240,000	nil	153,406 ⁽¹⁾	95,427	nil	nil	12,000	500,833
	2023	71,587	nil	233,179 ⁽¹¹⁾	9,944	nil	nil	3,544	318,254
Daniel C. Keenan, Vice President Exploitation ⁽⁷⁾	2024	216,000	nil	122,725 ⁽¹⁾	61,734	nil	nil	10,800	411,259
	2023	190,000	nil	110,664 ⁽²⁾	100,714	nil	nil	nil	401,378
	2022	180,000	nil	145,665 ⁽³⁾	133,630	nil	nil	nil	459,295
Austin W. Nieuwdorp, Vice President Finance ⁽⁸⁾	2024	193,333	nil	115,055 ⁽¹⁾	63,762	nil	nil	9,667	381,817
	2023	157,083	nil	100,604 ⁽²⁾	63,636	nil	nil	7,854	329,177
	2022	79,091	nil	145,913 ⁽¹²⁾	19,591	nil	nil	3,164	247,759

Notes:

- (1) The value of the option-based awards granted on May 16, 2024 is based on an exercise price of \$1.02 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 48.0%, expected life of 3.0 years, risk-free rate of 4.0%, forfeiture rate of 8.7%, and expected dividend yield of 6.0%.
- (2) The value of the option-based awards granted on May 16, 2023 is based on an exercise price of \$1.30 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 62.0%, expected life of 3.0 years, risk-free rate of 3.7%, forfeiture rate of 7.5%, and expected dividend yield of 10.0%.
- (3) The value of the option-based awards granted on May 19, 2022 is based on an exercise price of \$1.92 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 73.3%, expected life of 3.0 years, risk-free rate of 2.7%, forfeiture rate of 7.7%, and expected dividend yield of 5.2%.
- (4) Mr. Hodge did not receive any compensation as a director of the Company because he is an employee.
- (5) Mr. MacDonald retired as Chief Financial Officer on April 30, 2024.
- (6) Mr. Zack joined the Company as Vice President Finance on September 5, 2023. Mr. Zack was appointed Chief Financial Officer and Corporate Secretary on May 1, 2024.
- (7) Mr. Keenan was appointed Vice President Exploitation on May 1, 2024. Prior thereto Mr. Keenan was the Manager of Exploitation from January 1, 2022 – April 1, 2024.
- (8) Mr. Nieuwdorp was appointed Vice President Finance on May 1, 2024. Prior thereto Mr. Nieuwdorp was the Finance Manager from June 15, 2022 – July 31, 2023 and Controller from August 1, 2023 – April 30, 2024.
- (9) Payments consist solely of amounts awarded under the Company's discretionary bonus plan.
- (10) Compensation reflected here represents the RRSP matching program for all employees as described above.

- (11) The value of the option-based awards granted on September 5, 2023 is based on an exercise price of \$1.46 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 59.4%, expected life of 3.0 years, risk-free rate of 4.4%, forfeiture rate of 7.5%, and expected dividend yield of 8.9%.
- (12) The value of the option-based awards granted on June 15, 2022 is based on an exercise price of \$1.73 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 72.9%, expected life of 3.0 years, risk-free rate of 3.3%, forfeiture rate of 7.7%, and expected dividend yield of 5.8%.

Incentive Plan Awards

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2024 to the Named Executive Officers of the Company.

The process that the Company uses to grant Options to the Named Executive Officers, and the factors that are taken into account when considering new grants under the Stock Option Plan, is based upon a number of criteria, including the responsibility level of the Named Executive Officers, the number of Options available for grant under the Stock Option Plan, the number of Options anticipated to be required to meet the future needs of the Company, as well as the number of Options previously granted to each of the Named Executive Officers.

The Board, upon recommendation of the GNCC, determines the Options granted to the CEO. The Board considers, and if thought appropriate, approves the Options grants recommended by the CEO for the other Named Officers. The CEO approves the grants of Options to the other employees of the Company, and these are also reviewed by the GNCC.

It is the full Board, as opposed to only the GNCC, which determines the need for any amendments to the Stock Option Plan. The grant of option-based awards is not determined based on benchmarks, performance goals or a specific formula.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
Philip B. Hodge	300,000	1.92	May 19, 2025	nil
	300,000	1.92	May 19, 2026	nil
	500,000	1.30	May 16, 2025	nil
	500,000	1.30	May 16, 2026	nil
	500,000	1.30	May 16, 2027	nil
	600,000	1.02	May 16, 2026	nil
	600,000	1.02	May 16, 2027	nil
	600,000	1.02	May 16, 2028	nil
Terry L. McNeill	180,000	1.92	May 19, 2025	nil
	180,000	1.92	May 19, 2026	nil
	300,000	1.30	May 16, 2025	nil
	300,000	1.30	May 16, 2026	nil
	300,000	1.30	May 16, 2027	nil
	375,000	1.02	May 16, 2026	nil
	375,000	1.02	May 16, 2027	nil
	375,000	1.02	May 16, 2028	nil
Kristopher B. Zack	200,000	1.46	Sept 5, 2025	nil
	200,000	1.46	Sept 5, 2026	nil
	200,000	1.46	Sept 5, 2027	nil
	200,000	1.02	May 16, 2026	nil
	200,000	1.02	May 16, 2027	nil
	200,000	1.02	May 16, 2028	nil
Daniel C. Keenan	127,000	0.33	May 19, 2025	73,660
	66,000	1.92	May 19, 2025	nil
	66,000	1.92	May 19, 2026	nil
	110,000	1.30	May 16, 2025	nil
	110,000	1.30	May 16, 2026	nil
	110,000	1.30	May 16, 2027	nil
	160,000	1.02	May 16, 2026	nil
	160,000	1.02	May 16, 2027	nil
	160,000	1.02	May 16, 2028	nil
Austin W. Nieuwdorp	75,000	1.73	Jun 15, 2025	nil
	75,000	1.73	Jun 15, 2026	nil
	100,000	1.30	May 16, 2025	nil
	100,000	1.30	May 16, 2026	nil
	100,000	1.30	May 16, 2027	nil
	150,000	1.02	May 16, 2026	nil
	150,000	1.02	May 16, 2027	nil
	150,000	1.02	May 16, 2028	nil

Notes:

- (1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX as at December 31, 2024, of \$0.91.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information relating to the value vested or earned during the Company's financial year ended December 31, 2024 in respect of option-based awards and non-equity incentive plan compensation for Named Executive Officers of the Company.

Name	Option-based awards – Value vested during the year (\$)⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)⁽²⁾
Philip B. Hodge	396,000	nil	194,203
Terry L. McNeill	237,600	nil	97,101
Alan MacDonald	nil	nil	nil
Kristopher B. Zack	nil	nil	95,427
Daniel C. Keenan	91,440	nil	61,734
Austin W. Nieuwdorp	nil	nil	63,762

Notes:

- (1) Value is calculated based on dollar value that would have been realized if the Options had been exercised on the vesting date, being the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options.
- (2) Payments consist solely of amounts awarded under the Company's discretionary bonus plan.

Pension Plan Benefits

Pine Cliff does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

The Company has no written contract, agreement, plan or arrangement that provides for payments or benefits to Named Executive Officers in connection with any termination, resignation, retirement, change of control of the Company or change in the responsibilities of the Named Executive Officer, except for provisions of the Stock Option Plan which provide for the exercise of unvested Options in the event of a change of control of the Company. The value of unvested Options held by Named Executive Officers at December 31, 2024 (based on the closing price of the Common Shares on the TSX on December 31, 2024 of \$0.91) was \$nil.

Director Compensation for Directors who are Not Named Executive Officers of the Company

Director Compensation Table

The following table sets forth information in respect of all amounts of compensation provided to the directors who were not Named Executive Officers during the Company's financial year ended December 31, 2024.

Each non-executive director is paid an annual retainer of \$50,000. Executive officers of the Company, who also act as directors of the Company, do not receive any additional compensation for services rendered in their capacity as directors, other than as paid by the Company to such executive officers in their capacity as executive officers. There is no formal policy for the granting of Options to directors. Options may be granted from time to time as approved by the Board, as recommended by the GNCC.

Name	Fees earned (\$)	Share- based awards (\$)	Option-based awards (\$)⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
William S. Rice	50,000	nil	53,692	nil	n/a	nil	103,692
Hilary A. Foulkes	50,000	nil	53,692	nil	n/a	nil	103,692
Robert B. Fryk	50,000	nil	53,692	nil	n/a	nil	103,692
Calvin B. Jacober	50,000	nil	53,692	nil	n/a	nil	103,692
Jacqueline R. Ricci	50,000	nil	53,692	nil	n/a	nil	103,692

Notes:

- (1) The value of the option-based awards granted on May 16, 2024 is based on an exercise price of \$1.02 and is calculated using the Black-Scholes option pricing methodology using the following weighted average key assumptions: estimated volatility of underlying Common Shares of 48.0%, expected life of 3.0 years, risk-free rate of 4.0%, forfeiture rate of 8.7%, and expected dividend yield of 6.0%.

Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards outstanding at the end of the financial year ended December 31, 2024 to the directors of the Company who were not Named Executive Officers.

Option-based Awards				
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾
William S. Rice, K.C.	114,400	0.33	May 19, 2025	66,352
	50,000	1.92	May 19, 2025	nil
	50,000	1.92	May 19, 2026	nil
	50,000	1.30	May 16, 2025	nil
	50,000	1.30	May 16, 2026	nil
	50,000	1.30	May 16, 2027	nil
	70,000	1.02	May 16, 2026	nil
	70,000	1.02	May 16, 2027	nil
	70,000	1.02	May 16, 2028	nil
Robert B. Fryk	114,400	0.33	May 19, 2025	66,352
	50,000	1.92	May 19, 2025	nil
	50,000	1.92	May 19, 2026	nil
	50,000	1.30	May 16, 2025	nil
	50,000	1.30	May 16, 2026	nil
	50,000	1.30	May 16, 2027	nil
	70,000	1.02	May 16, 2026	nil
	70,000	1.02	May 16, 2027	nil
70,000	1.02	May 16, 2028	nil	
Hilary A. Foulkes	50,000	1.49	Aug 6, 2025	nil
	50,000	1.49	Aug 6, 2026	nil
	50,000	1.49	Aug 6, 2027	nil
	70,000	1.02	May 16, 2026	nil
	70,000	1.02	May 16, 2027	nil
	70,000	1.02	May 16, 2028	nil
Calvin B. Jacober	50,000	1.90	Aug 10, 2025	nil
	50,000	1.90	Aug 10, 2026	nil
	50,000	1.30	May 16, 2025	nil
	50,000	1.30	May 16, 2026	nil
	50,000	1.30	May 16, 2027	nil
	70,000	1.02	May 16, 2026	nil
	70,000	1.02	May 16, 2027	nil
	70,000	1.02	May 16, 2028	nil
Jacqueline R. Ricci	114,400	0.33	May 19, 2025	66,352
	50,000	1.92	May 19, 2025	nil
	50,000	1.92	May 19, 2026	nil
	50,000	1.30	May 16, 2025	nil
	50,000	1.30	May 16, 2026	nil
	50,000	1.30	May 16, 2027	nil
	70,000	1.02	May 16, 2026	nil
	70,000	1.02	May 16, 2027	nil
	70,000	1.02	May 16, 2028	nil

Notes:

(1) Value is calculated based on the difference between the exercise price of the Options and the closing price of the Common Shares on the TSX as at December 31, 2024, of \$0.91.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth information in respect of the value vested or earned during the Company's financial year ended December 31, 2024 of option-based awards, share-based awards and non-equity incentive plan compensation for non-executive directors of the Company.

Name	Option-based awards – Value vested during the year (\$) ⁽¹⁾	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
William S. Rice	82,368	nil	nil
Hilary A. Foulkes	nil	nil	nil
Robert B. Fryk	82,368	nil	nil
Calvin B. Jacober	nil	nil	nil
Jacqueline R. Ricci	82,368	nil	nil

Notes:

- (1) Value is calculated based on dollar value that would have been realized if the Options had been exercised on the vesting date, being the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options.

EQUITY COMPENSATION PLAN INFORMATION

As of December 31, 2024, equity securities are authorized for issuance as follows:

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 (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) ¹
Equity compensation plans approved by security holders - Stock Option Plan	27,256,078	1.28	8,553,960
Equity compensation plans not approved by security holders	nil	nil	nil
Total	27,256,078	1.28	8,553,960

Notes:

- (1) Represents the maximum number of Common Shares reserved for issuance under the Stock Option Plan, being 10% of the 358,100,387 Common Shares outstanding at December 31, 2024, less the 27,256,078 Common Shares reserved for issuance and issuable pursuant to outstanding Options granted under the Stock Option Plan. This number will also represent the Common Shares available for future issuance under the Stock Option Plan and the Share Unit Plan, collectively, if approved by Shareholders at the Meeting.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Under National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Company is required to include in this Information Circular the disclosure required under Form 58-101F1 with respect to the corporate governance guidelines set out under National Policy 58-201 – *Corporate Governance Guidelines*.

Board of Directors

The Board is responsible for supervising the management of the business and affairs of the Company and is presently comprised of six directors, of which five are independent, within the meaning of NI 58-101. The independent directors are Ms. Foulkes, Messrs. Fryk, Jacober and Rice and Ms. Ricci. Mr. Rice is currently the Chair of the Board (the "**Chair**") and he does not currently serve on any of the Board's committees. The President and CEO of the Company, Mr. Hodge, is not independent as he is an executive officer of the Company.

The Board facilitates its exercise of independent supervision over management by having the option to hold *in camera* sessions at the end or during meetings of the Board or its committees, whereby the members of management of the Company and the non-independent directors of the Company who are present at such meeting are asked to leave the meeting in order for the independent directors to meet. Whether such *in camera* sessions occur is at the sole discretion of the independent directors.

During the most recently completed financial year, the independent directors of the Company were given the opportunity to hold *in camera* meetings at all six scheduled meetings of the Board without the non-independent director and members of management present. Such independent directors chose to have *in camera* meetings at all six scheduled meetings of the Board. In order to provide leadership for the independent directors, the Board encourages communication among the independent directors both inside and outside of the scheduled Board and its committee meetings.

Certain of the Company's directors serve as directors of other reporting issuers as indicated in the table below.

<u>Director</u>	<u>Directorships Held</u>
Jacqueline R. Ricci	Bonterra Energy Corp. (TSX) and Wesdome Gold Mines Ltd. (TSX)
Calvin B. Jacober	Superior Plus Corp. (TSX)
Philip B. Hodge	Westport Fuel Systems Inc. (TSX, NASDAQ)
Hilary A. Foulkes	Chord Energy (NASDAQ)

Directors and officers of the Company are required to immediately report any event that may give rise to a conflict of interest situation to the CEO. Any potential conflict of interest must be reported and documented at the next meeting of the Board. A director of the Company may not vote on any matter where a conflict of interest exists. If a conflict exists that cannot be effectively managed, the Board may require the director to resign from any specific position giving rise to the conflict of interest, or alternatively, may require the director to resign from the Board.

The following is a summary of the attendance of the directors at meetings of the Board and its committees for 2024:

Name	Board of Directors	Audit Committee	Reserves Committee	GNCC
Calvin B. Jacober	5/5	4/4	1/1	3/3
Hilary A. Foulkes	5/5	4/4	1/1	3/3
Philip B. Hodge	5/5	-	-	-
Robert B. Fryk	5/5	4/4	1/1	3/3
William S. Rice	5/5	-	-	-
Jacqueline R. Ricci	5/5	4/4	1/1	3/3

Board and Board Committees

The Board is responsible for supervising the management of the business and affairs of the Company. The Board meets or has conference call meetings at least four times per year. The Board performance is evaluated annually by all of the Board members and indirectly by all of the Shareholders in that the Company's directors are required to be elected each year by the Shareholders.

The Board's mandate is attached as Schedule "A" to this Information Circular.

The Board's committees are the Audit Committee, the Reserves Committee and the GNCC (collectively, the "**Committees**"). Each of the Committees meets a minimum number of times per year as required to conduct its respective duties. Agendas are provided to all directors in advance of all meetings and are generally prepared by the Company's management and the respective Chair (the "**Chair**") of the Committee after discussion with Board members who are responsible for particular items with regard to the agenda. Minutes of each Board and Committee meeting are provided for review and approval to the relevant members before execution.

The Board and each Committee can meet independently of management at any time and are encouraged to do so whenever a member deems it is warranted. The Board and each Committee also have the authority to engage independent advisors, paid for by the Company, to provide it with expert advice if required. The Committees are comprised of the members set out in the following table:

Committee	Members	Independent
Audit Committee	Calvin B. Jacober – Chair	Yes
	Hilary A. Foulkes	Yes
	Robert B. Fryk	Yes
	Jacqueline R. Ricci	Yes
Reserves Committee	Robert B. Fryk – Chair	Yes
	Calvin B. Jacober	Yes
	Jacqueline R. Ricci	Yes
	Hilary A. Foulkes	Yes
Governance, Nomination and Compensation Committee	Jacqueline R. Ricci – Chair	Yes
	Calvin B. Jacober	Yes
	Robert B. Fryk	Yes
	Hilary A. Foulkes	Yes

For details about the composition of the Audit Committee, including a copy of the mandate of the Audit Committee, please refer to the Company's annual information form for the year ended December 31, 2024 under the heading "Audit Committee Information", available under the Company's SEDAR+ profile at www.sedarplus.ca and on the Company's website at www.pinecliffenergy.com (the "**Website**").

The function of the Reserves Committee is to, among other things, recommend the engagement of a reserves evaluator, ensure the reserves evaluator's independence, review and approve the expected fees of the reserves evaluator, review the procedures for disclosure of reserves evaluation, meet independently with the reserves evaluator to review the scope of the annual review of reserves, discuss findings and disagreements with management, annually assess the work of the reserves evaluator and approve the Company's annual reserve report and consent forms of management and the reserves evaluator. The Reserves Committee charter is available on the Website.

The function of the GNCC is to, among other things, evaluate, set and approve the level and form of compensation of the CEO and recommend to the Board for approval, the level and forms of compensation for the other members of senior management and the Board; nominate new Board members; develop and monitor the Company's general approach to corporate governance issues and applicable corporate governance guidelines; review and make recommendations to the Board respecting the Company's environmental, social and governance programs; review and discuss the Company's cyber risks and assessing management's development and implementation of the Corporation's cyber-risk practices and procedures, if applicable. The GNCC charter is available on the Website.

The Board, with the assistance of the GNCC, retains overall responsibility for the implementation and enforcement of an appropriate system of corporate governance, including policies and procedures to ensure the Board functions independently of management. The Board establishes and maintains such corporate governance policies and procedures as are necessary to ensure that Pine Cliff remains fully compliant with applicable securities laws and prevailing governance standards. The Board is also responsible for the identification of principal risks of the business and to ensure that all reasonable steps are taken to ensure the implementation of appropriate systems and procedures to manage such risk. The Board oversees the development and execution by management of both a longer-range business plan and a shorter-range business plan for Pine Cliff which are designed to achieve the Company's principal objectives and identify the principal strategic and operational opportunities and risks of Pine Cliff's business. Given the extensive oil and gas business experience of each Board member, there is a clear alignment and understanding by the Board of Pine Cliff's business plan, and conversations among the Board and senior management, both inside and outside the boardroom, occur frequently and openly. All executive officers are invited to, and regularly

attend, the Board and Committee meetings to provide necessary information to facilitate decision-making activities and Board oversight. This also provides additional opportunity for the independent directors to interact with all members of senior management in order to ensure clear understanding of the Company's business plan initiatives and objectives.

Environmental, Social & Governance ("ESG") Commitment

Pine Cliff is committed to upholding standards of environmental excellence, responsible extraction techniques, stringent regulatory protocols and innovative approaches aimed at reducing greenhouse gas emissions while being a positive contributor to a cleaner global energy future. Pine Cliff takes steps to ensure the health, safety and security of its employees, contractors and the stakeholders and residents in communities in which the Company operates. The Company is proud of its safety performance. Safeguarding the environment and the integrity of its infrastructure is inherent in Pine Cliff's day-to-day operations. Management regularly reviews actual performance in these areas relative to corporate objectives, regulatory requirements and industry peers. Pine Cliff believes in the principles of strong corporate governance, trust and integrity and the commitment to ensure a strong alignment between the Board, management and shareholders. Pine Cliff's GNCC is responsible for assisting the Board with the development and implementation of the Company's ESG practices, policies and targets and monitors the Company's compliance with ESG reporting obligations. On a quarterly basis, management reports to the Committee regarding Pine Cliff's health, safety and environmental performance and collaborates with the Board on areas for continuous improvement.

Position Descriptions

The Board has adopted position descriptions for each of the Chair of the Board, the Committee Chairs and the CEO. Summaries of such position descriptions are as follows:

Chair of the Board

The main responsibility of the Chair of the Board is to provide effective Board leadership, overseeing all aspects of the Board's direction and administration in fulfilling the terms of the mandate of the Board, fostering ethical and responsible decision making by the Board and its individual members and overseeing the structure, composition, membership and activities delegated to the Board and its Committees.

Committee Chairs

The Chair of each Committee is responsible for ensuring the Committee fulfils the terms of the mandates of such Committee. The Chairs of the Committees are responsible for setting the agenda for each of their respective Committee meetings. The Chair of each Committee reports to the Board following each Committee meeting.

CEO

The CEO is ultimately responsible for directing and monitoring the activities and resources of the Company consistent with the strategic direction, financial limits and operating objectives adopted by the Board.

Orientation and Continuing Education

The Board has not developed a formal orientation and education program for new directors. Directors are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, to attend related industry

seminars and to visit the Company's operations. Members of the Board have full access to the Company's records and to any of the Company's employees or consultants. The Board receives regular management reports and presentations with respect to the Company's operations and activities to ensure the directors stay updated and informed with respect to the Company's ongoing operations.

Ethical Business Conduct

The Company has adopted a written Code of Business Conduct and Ethics (the "**Code**"). The Board takes reasonable steps to monitor compliance with the Code by requiring employees, on the commencement of their employment, annually and when directed by management, to sign a copy of the Code acknowledging that they have read, understood and will comply with the Code. The Code applies to the Company's directors, executive officers, management, employees and consultants, each of whom is expected to ensure that their behaviour accords with the letter and the spirit of the Code. The Code also encourages all parties who engage in business with the Company to report any perceived and all actual breaches of the Code in accordance with the Company's whistle blower policy (the "**Whistle Blower Policy**"). The Chair is responsible for investigating complaints, presenting complaints to the Board and developing a plan for promptly and fairly resolving complaints. Upon conclusion of the investigation and resolution of a complaint, the Chair will advise the complainant of the corrective measures that have been taken or advise the complainant that the complaint has been investigated no corrective measures have been deemed warranted. The Code prohibits retaliation by the Company, its directors, executive officers and management against complainants who raise concerns in good faith and requires the Company to maintain the confidentiality of complainants to the greatest extent practicable. Complainants may also submit their concerns anonymously in writing. However, complaints that in the future are determined to be inaccurate or untruthful could result in suspension or dismissal. The Code is available on the Website and under the Company's profile at www.sedarplus.ca.

In addition to the Code, the Company has an Audit Committee charter regarding the collection and dissemination of accounting information, and a Whistle Blower Policy with respect to reporting accounting and auditing irregularities, as well as other corporate misconduct and breaches of the Code. The Whistle Blower Policy is available on the Website.

Since the beginning of the most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Code.

Avoiding Conflicts of Interest

Our Board complies with all legal requirements relating to conflicts of interest and related party transactions. Directors must disclose their business and personal relationships with us and other companies or entities they have relationships with. If they have a conflict of interest with a matter to be discussed by our Board, they must not participate in any Board or committee discussions or vote on the matter. In addition, in certain cases, an independent committee of our Board may be formed to deliberate on such matters in the absence of the interested party.

Our Audit Committee is responsible for reviewing all related party transactions as defined by applicable regulations. The Audit Committee is also responsible for ensuring the nature and extent of such transactions are properly disclosed

Nomination

Responsibility for identifying candidates to join the Board belongs to the GNCC. The criteria that GNCC members are asked to consider in identifying candidates include the independence of the individual, their financial and industry acumen and skills, and their availability to devote sufficient time to the duties of the Board. GNCC members who have identified new candidates present information regarding the candidate at a meeting of the GNCC, the GNCC makes an assessment to determine whether the candidate meets the criteria established by the GNCC, and then makes a decision whether to interview the candidate. If the Board members who interviewed the candidate are in favour of having the candidate stand for election, the GNCC will recommend to the Board to take a vote and if the candidate is approved, the candidate can either be appointed immediately in accordance with the Company's articles or can become a nominee for election by Shareholders at the next Shareholder meeting. The GNCC ensures objectivity in the nomination process by ensuring that the independent directors play an active role in the nomination process.

Compensation

Responsibility for determining the compensation of the CEO and recommending the compensation of the directors to the Board for approval belongs to the GNCC. The criteria that GNCC members are asked to consider in determining compensation includes the objectives set by the Company for the directors and the CEO as against the performance, shareholder returns and other achievements of the Company. The GNCC may engage the services of a compensation advisor to advise the Company regarding the form and amount of compensation awarded by corporations similar in size and industry to the Company, including competitors. The GNCC also considers publicly available information regarding compensation of other listed oil and gas issuers of similar size to Pine Cliff. The GNCC holds meetings each year to discuss compensation, review any proposals of the CEO (without the CEO being present in the case of their compensation), and then votes on the proposed compensation.

With respect to directors' compensation, the GNCC reviews the level and form of compensation received by the members and chairs of the Board and Committees, considering the duties and responsibilities of each member, their past service and continuing duties in service to the Company. For further information on the Company's executive compensation see "*Statement of Executive Compensation*" in this Information Circular.

Term Limits

The Board has not adopted term limits for Board members. However, the Board has a process in place for the annual review of the performance of the Board as a whole and the individual Committees and directors. Through this annual review process, the Board determines whether there are any performance issues to be dealt with and therefore whether the directors both collectively and individually, are able to continue to make an effective contribution to the governance of the Company and recommend changes when appropriate. The Board is of the view that a regular review process is more effective than arbitrary term limits or a mandatory retirement age.

Women on the Board and in Executive Officer Positions

The GNCC oversees the evaluation and assesses and considers the effectiveness of the Board as a whole, the Committees and the contribution of individual members on a periodic basis. The GNCC, in conjunction with the Board, also reviews the diversity, experience, qualifications and skills of Pine Cliff's incumbent directors to ensure that the composition of the Board and committees and the competencies of the members are in line with those that the GNCC considers that the Board and its respective committees should possess.

The Board evaluates potential nominees to the Board by reviewing the qualifications of prospective nominees relative to the skills and experience that it anticipates are needed to enhance the capabilities of the Board. Similarly, the Board evaluates candidates for executive officer positions primarily based on whether a particular candidate has the skills and experience that are necessary to be successful in the particular position.

In considering suitable candidates for appointment, election or re-election to the Board, or whether to accept the deemed resignation of a director pursuant to the Board Renewal Policy, the GNCC shall: (i) consider all aspects of diversity to enable the GNCC to discharge its duties and responsibilities effectively; (ii) assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which Pine Cliff operates; (iii) consider candidates on merit against objective criteria having due regard to the benefits of diversity on the Board; and (iv) engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the Board's skills and diversity criteria.

In addition, the GNCC will review the number of women considered or brought forward as potential nominees for board positions when the Board is looking to add additional members or replace existing members and will evaluate the skills, knowledge, experience and character of any such female candidates relative to other candidates to ensure that female candidates are being fairly considered relative to other candidates.

The Company has not adopted written policies or targets relating to the appointment of women as directors and executive officers. While the emphasis in any search to fill vacancies has been on finding the best qualified candidate, the Company recognizes the benefit of incorporating different perspectives into management and Board decisions and, accordingly, an individual's diversity with respect to gender, race, nationality, age and other attributes are considered favourably in the assessment of candidates for director or officer positions. The Company is committed to meritocracy and the importance of having the flexibility to appoint or nominate qualified candidates when available; therefore, while gender is not a determinative factor in nominating candidates for executive officer positions or appointment, election or re-election to the Board, gender diversity on the Board is considered a priority when the GNCC is seeking to replace or add a Board member.

The Board supports the objectives of increasing diversity and, in particular, the number of diverse directors and executive officers. The GNCC reviews the number of women appointed and serving on the Board or as executive officers to evaluate whether it is desirable to adopt additional requirements or policies with respect to the diversity of the Board and management in the future on an ongoing basis.

Two of the current members of the Board are women (33.3%). None of the Named Executive Officers in 2024 was a woman (0%).

Assessment

The Board takes steps to satisfy itself that the Board and the Committees and individual directors are performing effectively by conducting an annual evaluation and assessment of the performance, contribution and effectiveness of the Board, the committees and individual directors.

Majority Voting Policy

The Board has adopted a policy which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" his or her election as a director, in connection with an uncontested election, shall immediately submit his or her resignation to the Board following the annual Shareholders'

meeting. The Board shall consider the resignation and determine whether or not to accept the resignation within 90 days of the applicable meeting and a press release shall be issued by the Company announcing the Board's determination. Any director who tenders his or her resignation shall not participate in any Board meeting to consider whether the resignation shall be accepted. The Board shall accept the resignation absent exceptional circumstances.

AUDIT COMMITTEE INFORMATION

Under National Instrument 52-110 *Audit Committees*, the Company is required to include in its Annual Information Form ("**AIF**") the disclosure required under Form 52-110F1 with respect to its Audit Committee, including the text of its Audit Committee charter, the composition of the Audit Committee and the fees paid to the external auditor. The Company's disclosure with respect to the foregoing is contained in the section in its AIF dated March 5, 2025 entitled "Audit Committee Information". A copy of the AIF has been filed in SEDAR+ at www.sedarplus.ca. Copies of the AIF are also available free of charge by making a written request to the Company at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta T2R 1J4, Attention: Chief Financial Officer.

ADDITIONAL INFORMATION

Financial information is provided in the Company's audited consolidated comparative financial statements and management's discussion and analysis for the year ended December 31, 2024, copies of which are available by making a written request to the Company at Suite 850, 1015 – 4th Street S.W., Calgary, Alberta T2R 1J4. **Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca and on the Website.**

SCHEDULE "A"

MANDATE OF THE BOARD OF DIRECTORS OF PINE CLIFF ENERGY LTD.

The primary responsibility of the board of directors of the Corporation (the "**Board**") is to supervise the management of the Corporation to ensure the long-term success of the Corporation and to maximize shareholder value. The Board is obligated to act honestly and in good faith with a view to the best interests of the Corporation. Any responsibility which has not been delegated to management remains with the Board.

COMPOSITION

The Board shall consist of such number of directors (each, a "**Director**") as is fixed by the Articles of Incorporation of the Corporation (the "**Articles**"), or where the Articles specify a variable number, such number of Directors as may be determined from time to time by the Corporation's shareholders by ordinary resolution. A majority of the Directors must be independent as defined in then current laws applicable to the Corporation. Except as set out in the By-Laws of the Corporation, Board members will be elected at the annual meeting of the shareholders and will serve until the close of the annual meeting of shareholders following such director's election or appointment, or until a successor to such director is elected or appointed. All members of the Board shall have the skills and abilities required to carry out their duties and responsibilities in the most effective manner. The Board shall endeavour to always have the right mix of experience and competencies to discharge its responsibilities. The Board is responsible to annually select a Director, who is independent as defined in then current laws applicable to the Corporation: (a) to serve as the Chair of the Board; or (b) where the Chair of the Board is not independent, to serve as lead director of the Board.

No Board member may serve simultaneously on the Board of directors of more than four other public companies unless the Board determines that simultaneous service will not materially adversely affect the Board or prevent it from acting independently or from fulfilling its mandate.

MEETINGS

The Board meets or has conference call meetings at least four times per year, and as deemed necessary in order to carry out its duties effectively. The independent Directors will meet separately after every regularly scheduled Board meeting without non-independent members or members of management in attendance. The independent Directors may also hold other meetings at such times and with such frequency as the independent Directors consider necessary. The Board shall also retain independent advice, if deemed necessary, which will be paid for by the Corporation.

DUTIES AND RESPONSIBILITIES

The Board is charged with the overall stewardship of the Corporation and manages or supervises the business of the Corporation and its management. The Board's responsibilities include:

1. Management Selection, Retention and Succession

- Select, appoint and if necessary, terminate the Chief Executive Officer ("**CEO**")
- Approve the list of directors standing for election
- Review this mandate annually and recommend changes to the Board when necessary

- Annually appoint directors to Board committees and delegate to such committees specific responsibilities, pursuant to their respective mandate, as approved by the Board
- At the Board's discretion, appoint any other Board committees that the Board decides are needed and delegate to such committees specific responsibilities, pursuant to their respective mandate, as approved by the Board
- Approve compensation and compensation programs for senior management, as recommended by the CEO
- Assess the CEO against corporate objectives approved by the Board
- Assess, annually, the effectiveness and the performance of the Board, committees and directors in fulfilling their responsibilities
- Approve directors' compensation

2. Strategy

- Review and approve the corporate objectives developed by the CEO
- Review, adopt and monitor the Corporation's strategic planning process
- Monitor the Corporation's performance in light of the approved strategic planning process

3. Corporate Ethics and Integrity

- Review and monitor the Corporation's Code of Conduct and disclose any waivers of the code for officers and directors
- Promote a culture of integrity throughout the Corporation
- Review and respond to potential conflict of interest situations
- Ensure policies and processes are in place for the identification of principal business risks and review and approve risk management strategies
- Approve corporate policies and other corporate protocols and controls
- Approve the Corporation's policy on public disclosure

4. Financial Responsibilities

- Approve the annual financial statements of the Corporation, as recommended by the Audit Committee
- Approve the quarterly interim financial statements of the Corporation, as recommended by the Audit Committee
- Recommend to the shareholders the appointment of the Corporation's external auditors, as recommended by the Audit Committee
- Review and approve annually the Corporation's operating budget
- Review, as deemed necessary, approval authorities to the CEO and senior management
- Approve financial commitments in excess of delegated approval authorities
- Review and approve any material acquisitions, divestments, and corporate reorganizations
- Assess and approve any material securities offerings, financing or banking arrangements

TIMETABLE

The Board's work schedule will be conducted on an ongoing basis to serve the requirements of applicable regulations.

SCHEDULE "B"

PINE CLIFF ENERGY LTD.

SHARE UNIT PLAN

Pine Cliff Energy Ltd. (the "**Corporation**") hereby establishes a share unit plan for certain qualified directors, executive officers and employees of the Corporation or any of its Subsidiaries, as defined herein.

ARTICLE 1 INTERPRETATION

1.1 Definitions

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"**Account**" means a notional account maintained for each Participant on the books of the Corporation which will be credited with Share Units or DSUs, as applicable, in accordance with the terms of the Plan;

"**Award**" means either a Share Unit or DSU granted pursuant to, or otherwise governed by, the Plan;

"**Award Agreement**" means an agreement evidencing the grant to a Participant of an Award, including a Share Unit Agreement, a DSU Agreement or an Employment Agreement;

"**Blackout Period**" means a period during which the Corporation prohibits Participants from trading securities of the Corporation which is formally imposed by the Corporation pursuant to its internal trading policies;

"**Board**" means the board of directors of the Corporation as constituted from time to time;

"**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when Canadian chartered banks are generally open for business in Calgary, Alberta for the transaction of banking business;

"**Canadian Participant**" means a Participant who is a resident of Canada and/or who is granted an Award in respect of, or by virtue of, employment services rendered in Canada and/or who is otherwise subject to tax under the ITA in respect of an Award; provided that, for greater certainty, a Participant may be both a Canadian Participant and a U.S. Taxpayer;

"**Cause**" includes gross misconduct, theft, fraud, breach of confidentiality or breach of the Corporation's code of conduct and any other reason determined by the Corporation to be cause for termination of employment;

"**Change of Control**" means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) a bona fide offer for Shares is made to all shareholders of the Corporation, which offer, if accepted in whole or in part, would result in the offeror exercising control over the Corporation within the meaning of the *Securities Act* (Alberta);

- (b) the sale, lease or transfer of all or substantially all of the Corporation's assets to any other person or persons or a merger, amalgamation or arrangement; or
- (c) any other form of transaction which the majority of the Board determines is reasonably likely to have similar effect as either of the transactions referred to in subparagraphs (a) or (b) of this Section;

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Code Section 409A), the payment of which would be required upon, or accelerated upon, a Change of Control, a transaction will not be deemed a Change of Control for Awards granted to any U.S. Taxpayer unless the transaction qualifies as "a change in control event" within the meaning of Code Section 409A.

"Code" means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

"Code Section 409A" means Section 409A of the Code and applicable regulations and guidance issued thereunder;

"Deferred Share Unit" or "DSU" means a conditional right awarded to a Participant to receive a payment as provided in Article 4 and subject to the terms and conditions of the Plan;

"Designated Broker" means a broker who is independent of, and deals at arm's length with, the Corporation and its Subsidiaries and is designated by the Corporation for the purposes of the Plan;

"Dividend Equivalent" means additional Share Units or DSUs credited to a Participant's Account as a dividend equivalent pursuant to Section 3.7 or Section 4.6, respectively;

"DSU Agreement" means a written agreement between the Corporation and a Participant evidencing the grant of DSUs and the terms and conditions thereof;

"DSU Election and Acknowledgement Form" has the meaning ascribed thereto in Section 4.3;

"DSU Eligible Retainer", in respect of a Non-Employee Director, means the cash fees and amounts payable to such Participant in a calendar year for service as a member of the Board and, includes, as of the effective date of the Plan, the annual retainer payable to directors. For greater certainty, the DSU Eligible Retainer does not include expenses subject to reimbursement or any equity-based incentive awards granted to such Participant;

"DSU Outside Redemption Date" in respect of a Participant, means December 15th of the first calendar year commencing immediately after the Participant's Termination Date;

"DSU Redemption Date" has the meaning ascribed thereto in Section 4.4(2);

"DSU Redemption Form" has the meaning ascribed thereto in Section 4.4(2);

"DSU Vesting Date" has the meaning ascribed thereto in Section 4.2(1);

"Eligible Participant" means: (a) in respect of a grant of Share Units, any director, executive officer or employee of the Corporation or any of its Subsidiaries, and (b) in respect of a grant of DSUs, any Non-Employee Director;

"Employment Agreement" means, with respect to any Participant, any written employment agreement between the Corporation or a Subsidiary and such Participant and which contains terms and conditions applicable to Awards;

"Exchange" means the TSX or, if the Shares are not listed and posted for trading on the TSX at a particular date, such other stock exchange or trading platform upon which the Shares are listed and posted for trading and which has been designated by the Board;

"Insider" has the meaning ascribed thereto in the TSX Company Manual in respect of the rules governing security-based compensation arrangements;

"ITA" means the *Income Tax Act* (Canada), as amended from time to time;

"ITA Regulations" means the regulations promulgated under the ITA, as amended from time to time;

"Market Value of a Share" means, with respect to any particular date as of which the Market Value of a Share is required to be determined, the volume weighted average trading price of the Shares on the Exchange over the last five (5) Trading Days on which the Shares traded on the Exchange immediately preceding the particular date, if the Shares are then listed for trading on the Exchange. In the event that the Shares are not listed and posted for trading on the Exchange, the Market Value of a Share on any particular date shall be the fair market value of such Share as determined by the Board in its sole discretion, acting reasonably;

"Non-Employee Director" means a member of the Board who is not otherwise an employee or executive officer of the Corporation or a Subsidiary;

"Outstanding Issue" means the number of Shares that are issued and outstanding as at a specified time, on a non-diluted basis;

"Participant" means any Eligible Participant that is granted one or more Awards under the Plan;

"Performance Criteria" means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, vesting or full enjoyment of a Share Unit;

"Performance Period" means the period determined by the Board at the time any Share Unit is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Share Unit are to be measured;

"Person" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

"Plan" means this Share Unit Plan, including the exhibits hereto, as amended or amended and restated from time to time;

"Reserved Amount" has the meaning ascribed thereto in Section 2.4(1)(b);

"Restriction Period" means, with respect to a particular grant of Share Units or DSUs, the period between the date of grant of such Share Units or DSUs and the latest Vesting Date in respect of any portion of such Share Units or DSUs, as applicable;

"Retirement" means the cessation of the Participant's employment as an executive officer or employee of the Corporation or one of its Subsidiaries, or in the case of a Non-Employee Director, the cessation of the Participant's membership on the Board, in either case where the cessation of the employment/director relationship is recognized by the Board as a retirement;

"SEC" means the U.S. Securities and Exchange Commission;

"Security Based Compensation Arrangement" has the meaning ascribed thereto in the TSX Company Manual;

"Separation from Service" has the meaning ascribed to it under Code Section 409A;

"Share Unit" means a conditional right awarded to a Participant to receive a payment as provided in Article 3 and subject to the terms and conditions of the Plan;

"Share Unit Agreement" means a written agreement between the Corporation and a Participant evidencing the grant of Share Units and the terms and conditions thereof;

"Share Unit Outside Expiry Date" has the meaning ascribed thereto in Section 3.5(4);

"Share Unit Redemption Date" has the meaning ascribed thereto in Section 3.5(1);

"Share Unit Vesting Date" has the meaning ascribed thereto in Section 3.4;

"Shares" means the common shares in the capital of the Corporation;

"Subsidiary" means a corporation that is controlled, directly or indirectly, by the Corporation.

"Termination Date" means (a) in the event of a Participant's resignation or Retirement, the date on which such Participant ceases to be a director, executive officer or employee of the Corporation or one of its Subsidiaries, (b) in the event of the termination of a Participant's employment, or position as director or executive officer of the Corporation or a Subsidiary, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be, (c) in the event of a Participant's death, the date of death, and (d) in the event of injury or disability, the date that the Participant ceases to be a director, executive officer or employee of the Corporation or a Subsidiary as a result of such injury or disability, provided that, in all cases, in applying the provisions of the Plan to DSUs granted to a Canadian Participant, the "Termination Date" shall be the latest date on which the Participant is neither a director, officer or employee of the Corporation or of any affiliate of the Corporation (where "affiliate" has the meaning ascribed thereto by the Canada Revenue Agency for the purposes of paragraph 6801(d) of the ITA Regulations);

"Termination of Service" means that a Participant has ceased to be an Eligible Participant;

"Trading Day" means any day on which the TSX or other applicable stock exchange is open for trading;

"TSX" means the Toronto Stock Exchange;

"TSX Company Manual" means the Toronto Stock Exchange Company Manual, as amended from time to time;

"U.S." or "United States" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"U.S. Share Unit Outside Expiry Date" has the meaning ascribed thereto in Section 3.1;

"U.S. Taxpayer" means a Participant who is a U.S. citizen, a U.S. permanent resident or other person who is subject to taxation on their income or in respect of Awards under the Code; provided that, for greater certainty, a Participant may be both a Canadian Participant and a U.S. Taxpayer; and

"Vesting Date" means the Share Unit Vesting Date or the DSU Vesting Date, as applicable.

1.2 Interpretation

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion or authority, as the case may be, of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (4) The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation".
- (5) In this Plan, the expressions "Article", "Section" and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (6) Unless otherwise specified in the Participant's Award Agreement, all references to dollar amounts are to Canadian currency, and where any amount is required to be converted to or from a currency other than Canadian currency, such conversion shall be based on the exchange rate quoted by the Bank of Canada on the particular date.
- (7) For purposes of this Plan, the legal representatives of a Participant shall only include the legal representative of the Participant's estate or will, in the case of death, and the legal representative having authority to deal with the property of the Participant, in the case of a Participant's incapacity.
- (8) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

ARTICLE 2
PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

2.1 Purpose of the Plan

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

2.2 Implementation and Administration of the Plan

- (1) The Plan shall be administered and interpreted by the Board or, if the Board by resolution so decides, by a committee appointed by the Board. If such committee is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee. Nothing contained herein shall prevent the Board from adopting other or additional Security Based Compensation Arrangements or other compensation arrangements (including the 2018 Amended and Restated Stock Option Plan of the Corporation), subject to any required approval.
- (2) Subject to Article 6 and any applicable rules of an Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operation of the Plan as it may deem necessary or advisable. The interpretation, administration, construction and application of the Plan and any provisions herein made by the Board shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.
- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board, or any Person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.

- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

2.3 Participation in this Plan

- (1) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant, vesting, settlement or redemption of an Award or any transactions in the Shares or otherwise in respect of participation under the Plan. None of the Corporation, its Subsidiaries nor any of their directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant (or any Person with whom the Participant does not deal at arm's length within the meaning of the ITA) under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant (or any Person with whom the Participant does not deal at arm's length within the meaning of the ITA) to compensate for a downward fluctuation in the price of the Shares or any shares of the Corporation or of a related (within the meaning of the ITA) corporation, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

2.4 Shares Subject to the Plan

- (1) Subject to adjustment pursuant to Article 6, and as may be approved by the Exchange and the shareholders of the Corporation from time to time:
 - (a) the securities that may be acquired by Participants pursuant to Awards under this Plan shall consist of authorized but unissued Shares, provided that the Corporation (or applicable Subsidiary) may, at its discretion, elect to settle Share Units or DSUs in cash or Shares acquired in the open market by a Designated Broker for the benefit of a Participant (or a combination of cash and Shares);
 - (b) the maximum number of Shares reserved for issuance, in the aggregate, pursuant to the settlement of Share Units and DSUs granted under this Plan shall not exceed 5% of the Outstanding Issue; and

- (c) the maximum number of Shares reserved for issuance, in the aggregate, pursuant to this Plan, together with all other previously established and outstanding Security Based Compensation Arrangements of the Corporation, shall be equal to 10% of the Outstanding Issue from time to time (the "**Reserved Amount**").
- (2) For the purposes of calculating the number of Shares reserved for issuance under this Plan, notwithstanding that the settlement of any Share Unit or DSU in Shares to be issued by the Corporation shall be at the discretion of the Board as provided herein, each Share Unit and each DSU shall, in each case, be counted as reserving one Share under the Plan.
- (3) No Award may be granted if such grant would have the effect of causing the total number of Shares reserved for issuance under this Plan to exceed the Reserved Amount.
- (4) If (a) an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been settled or redeemed, or (b) an outstanding Award (or portion thereof) is settled in cash or Shares acquired in the open market by a Designated Broker for the benefit of a Participant (or a combination of cash and Shares) then in each such case the Shares reserved for issuance in respect of such Award (or portion thereof) will again be available for issuance under the Plan.

2.5 Participation Limits

- (1) In no event shall this Plan, together with all other previously established and outstanding Security Based Compensation Arrangements of the Corporation, permit at any time:
 - (a) the aggregate number of Shares reserved for issuance under Awards granted to Insiders (as a group) at any point in time exceeding 10% of the Outstanding Issue; or
 - (b) the grant to Insiders (as a group), within any one-year period, of an aggregate number of Awards exceeding 10% of the Outstanding Issue, calculated at the date an Award is granted to any Insider

unless the Corporation has obtained the requisite disinterested shareholder approval.

- (2) The aggregate number of Awards granted to any one Person in any 12-month period shall not exceed 5% of the Outstanding Issue, calculated on the date an Award is granted to the Person, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (3) The aggregate value of Awards granted to any Non-Employee Director, together with the value of entitlements granted to that director under all other previously established and outstanding Security Based Compensation Arrangements of the Corporation, shall not exceed \$150,000 in any one-year period, of which not more than \$100,000 of value may be in the form of incentive stock options granted under any other Security Based Compensation Arrangements of the Corporation.

2.6 Granting of Awards

Any Award granted under or otherwise governed by the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant, settlement or redemption of such Award or the

issuance of Shares thereunder, as applicable, such Award may not be granted, settled or redeemed, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

ARTICLE 3 RESTRICTED AND PERFORMANCE SHARE UNITS

3.1 Nature of Share Units

A Share Unit is an Award that is a bonus for services rendered in the year of grant, that, subject to such restrictions and conditions on vesting as the Board may determine at the time of grant, upon settlement, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the discretion of the Board, a Share or any combination of cash and Shares. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship, the achievement of specified Performance Criteria, or both.

It is intended that Share Units granted to Canadian Participants shall be granted as a bonus for services rendered in the year of grant, and that neither the Plan nor any Share Units granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof. All Share Units granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Canadian Participant in respect of his or her services to the Corporation or a Subsidiary, as applicable.

Unless otherwise provided in the applicable Share Unit Agreement, it is intended that Share Units awarded to U.S. Taxpayers will be exempt from Code Section 409A under U.S. Treasury Regulation section 1.409A-1(b)(4), and accordingly such Share Units will be settled/redeemed by March 15th of the year following the year in which such Share Units are not, or are no longer, subject to a substantial risk of forfeiture (as such term is interpreted under Code Section 409A). For greater certainty, upon the satisfaction or waiver or deemed satisfaction of all Performance Criteria and other vesting conditions, the Share Units of U.S. Taxpayers will no longer be subject to a substantial risk of forfeiture, and will be settled/redeemed by March 15th of the following year (the "**U.S. Share Unit Outside Expiry Date**").

3.2 Share Unit Awards

- (1) Subject to the provisions herein and any shareholder or regulatory approval which may be required, the Board shall, from time to time by resolution, in its discretion, (a) designate the Eligible Participants who may receive Share Units under the Plan, (b) fix the number of Share Units, if any, to be granted to each Eligible Participant and the date or dates on which such Share Units shall be granted, (c) determine the relevant conditions, including vesting conditions (including the applicable Performance Period and Performance Criteria, if any) and the Restriction Period of such Share Units, and (d) determine any other terms and conditions applicable to the granted Share Units, which need not be identical and which may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any Share Unit Agreement.
- (2) All Share Units granted herein shall vest in accordance with the terms of the Share Unit Agreement entered into in respect of such Share Units.
- (3) Subject to the vesting and other conditions and provisions in this Plan and in the applicable Share Unit Agreement, each Share Unit awarded to a Participant shall entitle the Participant to receive, on settlement, a cash payment equal to the Market Value of a Share, or, at the discretion of the

Board, one Share or any combination of cash and Shares, in each case less any applicable withholding taxes. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any Share Unit, and, notwithstanding any discretion exercised by the Board to settle any Share Unit, or a portion thereof, in the form of Shares, the Board reserves the right to change such form of payment at any time until payment is actually made.

3.3 Share Unit Agreements

- (1) The grant of a Share Unit by the Board shall be evidenced by a Share Unit Agreement in the form attached to the Plan as Exhibit "A", or such similar form acceptable to the Board. Such Share Unit Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a Share Unit Agreement. The provisions of the various Share Unit Agreements issued under this Plan need not be identical.
- (2) The Share Unit Agreement shall contain such terms that the Corporation considers necessary in order that the Share Units granted to U.S. Taxpayers will comply with or be exempt from Code Section 409A and any provisions respecting restricted share units in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the Share Units shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA, by reason of the exemption in paragraph (k) thereof) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation or its Subsidiaries.

3.4 Vesting of Share Units

The Board shall have discretion to: (a) determine if any vesting conditions with respect to a Share Unit, including any Performance Criteria or other vesting conditions contained in the applicable Share Unit Agreement, have been met, (b) waive the vesting conditions applicable to Share Units (or deem them to be satisfied), and (c) extend the Restriction Period with respect to any grant of Share Units, provided that (i) any such extension shall not result in the Restriction Period for such Share Units extending beyond the Share Unit Outside Expiry Date. The Corporation shall communicate to a Participant, as soon as reasonably practicable, the date on which all such applicable vesting conditions in respect of a grant of Share Units to the Participant have been satisfied, waived or deemed satisfied and such Share Units have vested (the "**Share Unit Vesting Date**").

3.5 Redemption / Settlement of Share Units

- (1) Subject to the provisions of this Section 3.5 and Section 3.6, a Participant's vested Share Units shall be redeemed in consideration for a cash payment equal to the Market Value of a Share or, at the discretion of the Board, a Share or any combination of cash and Shares, on the date (the "**Share Unit Redemption Date**") that is the earliest of (a) the fifteenth (15th) day following the Share Unit Vesting Date for such vested Share Units (or, if such day is not a Business Day, on the immediately following Business Day), (b) the Share Unit Outside Expiry Date, and (c) in the case of a Participant who is a U.S. Taxpayer, the U.S. Share Unit Outside Expiry Date.
- (2) Subject to the provisions of this Section 3.5 and Section 3.6, during the period between the Share Unit Vesting Date and the Share Unit Redemption Date in respect of a Participant's vested Share Units, the Corporation (or any Subsidiary that is party to an Employment Agreement with the

Participant whose vested Share Units are to be redeemed) shall, at its discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the Participant's vested Share Units either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the Share Unit Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit (or the benefit of the legal representative of the Participant, if applicable), less in any case all applicable withholding taxes and other applicable source deductions under Section 7.2.

- (3) Settlement of a Participant's vested Share Units shall take place on the Share Unit Redemption Date as follows:
- (a) where the Corporation (or applicable Subsidiary) has elected to settle all or a portion of the Participant's vested Share Units in Shares issued from treasury:
 - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 7.2; or
 - (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 7.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
 - (b) where the Corporation (or applicable Subsidiary) has elected to settle all or a portion of the Participant's vested Share Units in Shares purchased in the open market, by delivery by the Corporation (or applicable Subsidiary) to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the Share Unit Redemption Date multiplied by the number of vested Share Units to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 7.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant (or the benefit of the legal representative of the Participant, if applicable) and to be evidenced by a confirmation from the Designated Broker of such purchase;
 - (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's Share Units that the Corporation or applicable Subsidiary has elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 7.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation or Subsidiary of which the Participant is a director, executive officer or employee, in cash, by cheque or by such other payment method as the Corporation and Participant may agree; and

(d) where the Corporation (or applicable Subsidiary) has elected to settle a portion, but not all, of the Participant's vested Share Units in Shares, the Participant shall be deemed to have instructed the Corporation or Subsidiary, as applicable, to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 7.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding tax obligations, and the Corporation or Subsidiary, as applicable, shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion payable to settle a Participant's Share Units in the foregoing circumstances is not sufficient to satisfy the withholding obligations of the Corporation or a Subsidiary pursuant to Section 7.2, the Corporation or Subsidiary, as applicable, shall be entitled to satisfy any remaining withholding obligation by any other mechanism as may be required or determined by the Corporation or Subsidiary as appropriate.

(4) Notwithstanding any other provision in this Article 3, no payment, whether in cash or in Shares, shall be made in respect of the settlement of any Share Units later than December 15th of the third calendar year following the end of the calendar year in respect of which such Share Unit is granted (the "**Share Unit Outside Expiry Date**").

3.6 Determination of Amounts

(1) The cash payment obligation arising in respect of the redemption and settlement of a vested Share Unit pursuant to Section 3.5 shall be equal to the Market Value of a Share as of the applicable Share Unit Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's vested Share Units shall, subject to any adjustments in accordance with Section 6.1 and any withholding required pursuant to Section 7.2, be equal to the Market Value of a Share as of the Share Unit Redemption Date for such vested Share Units multiplied by the number of vested Share Units in the Participant's Account at the commencement of the Share Unit Redemption Date (after deducting any such vested Share Units in the Participant's Account in respect of which the Corporation (or applicable Subsidiary) makes an election under Section 3.5(2) to settle such vested Share Units in Shares).

(2) If the Corporation (or applicable Subsidiary) elects in accordance with Section 3.5(2) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's vested Share Units by the issuance or delivery of Shares, the Corporation shall, subject to any adjustments in accordance with Section 6.1 and any withholding required pursuant to Section 7.2, issue or deliver to the Participant (or the legal representative of the Participant, if applicable), for each vested Share Unit which the Corporation (or applicable Subsidiary) elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 6.1, any withholding required pursuant to Section 7.2, and/or any proration in accordance with Section 5.2(2), the aggregate number of Shares to be received by a Participant upon an election by the Corporation (or applicable Subsidiary) to settle all or a portion of the Participant's vested Share Units in Shares includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

3.7 Award of Dividend Equivalents

(1) Dividend Equivalents may, as determined by the Board in its discretion and as set out in the applicable Share Unit Agreement, be awarded as a bonus for services rendered in the year in respect

of unvested Share Units in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Where so determined, Dividend Equivalents, if any, will be credited to the Participant's Account in additional Share Units, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of Share Units in such Participant's Account on the date that dividends are paid multiplied by (b) the dividend paid per Share and the denominator of which is the Market Value of a Share calculated as of the date that dividends are paid. Any additional Share Units credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting, Restriction Periods and expiry) as the Share Units in respect of which such additional Share Units are credited, and shall be counted towards the participation limits in Section 2.5.

- (2) In the event that the Participant's applicable Share Units do not vest, all Dividend Equivalents, if any, previously credited in respect of such Share Units will be forfeited by the Participant.

ARTICLE 4 DEFERRED SHARE UNITS

4.1 Nature of DSUs

A DSU is an Award for services rendered, or for future services to be rendered, by a Non-Employee Director, that, subject to such restrictions and conditions on vesting as the Board may determine at the time of grant, upon Termination of Service and settlement following a Participant's Termination Date, entitles the recipient Participant to receive a cash payment equal to the Market Value of a Share or, at the discretion of the Board, a Share or any combination of cash and Shares. For greater certainty, no Participant shall have any right to demand to be paid in, or receive, Shares in respect of any DSU, and, notwithstanding any discretion exercised by the Board to settle any DSU, or portion thereof, in the form of Shares, the Board reserves the right to change such form of payment at any time until payment is actually made.

For greater certainty, the aggregate of all amounts each of which may be received in respect of a DSU shall depend, at all times, on the fair market value of shares of the capital stock of the Corporation or any corporation related (within the meaning of the ITA) thereto within the period that commences one year prior to the Participant's Termination Date and ends at the time the amount is received.

4.2 Discretionary DSU Awards

- (1) In addition to DSUs granted pursuant to Section 4.3, and subject to the provisions of this Plan, any shareholder or regulatory approval which may be required, and the requirements of paragraph 6801(d) of the ITA Regulations and Code Section 409A, the Board shall, from time to time by resolution, in its sole discretion, (a) designate Eligible Participants who may receive discretionary grants of DSUs under the Plan, (b) fix the number of DSUs, if any, to be granted to any Eligible Participant and the date or dates on which such DSUs shall be granted, and (c) determine the relevant conditions, including vesting conditions for such DSUs (including the date on which the DSUs shall vest, which shall be the "**DSU Vesting Date**" for such DSU), in respect of a grant of DSUs to the Participant, subject to the terms and conditions prescribed in any DSU Agreement, as applicable.
- (2) The grant of a DSU by the Board pursuant to Section 4.2(1) shall be evidenced by a DSU Agreement in the form attached to the Plan as Exhibit "B", or such similar form acceptable to the Board. Such DSU Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including any recoupment, reimbursement

or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board deems appropriate for inclusion in a DSU Agreement. The provisions of the various DSU Agreements issued under this Plan need not be identical.

- (3) All DSUs granted pursuant to Section 4.2 shall vest in accordance with the terms of the DSU Agreement entered into in respect of such DSUs. Restrictions and conditions on vesting may, without limitation, be based on the passage of time during continued employment or other service relationship, the achievement of specified Performance Criteria, or both.
- (4) Each DSU Agreement shall contain such terms that the Corporation considers necessary in order that the DSUs granted thereunder to U.S. Taxpayers will comply with Code Section 409A and any provisions respecting deferred share units in the income tax laws (including, in respect of Canadian Participants, such terms and conditions so as to ensure that the DSUs shall not constitute a "salary deferral arrangement" as defined in subsection 248(1) of the ITA by reason of the exemption in paragraph 6801(d) of the ITA Regulations) or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or provide services in or the rules of any regulatory body having jurisdiction over the Corporation.

4.3 Elections in Respect of DSU Eligible Retainers

- (1) Each Non-Employee Director shall have the right to irrevocably elect, in advance, the portion of any of such Non-Employee Director's future DSU Eligible Retainer (in increments of five percent (5%)) that the Non-Employee Director wishes to be satisfied by way of DSUs credited to his or her Account pursuant to Section 4.3(2) (with the remainder, if any, to be received in cash). The election shall be made by completing, signing and delivering to the Board, a written election and acknowledgement in the form attached to the Plan as Exhibit "C", or such similar form of election and acknowledgement acceptable to the Board (the "**DSU Election and Acknowledgement Form**"). Any election made under this Section 4.3(1) shall be irrevocable in respect of the calendar year for which it is originally made and will continue in effect thereafter until it is amended for a future calendar year in accordance with this Section 4.3(1). In order to validly make such election, the Non-Employee Director must submit his or her DSU Election and Acknowledgement Form following the expiry of the Blackout Period during the fourth quarter of the calendar year immediately preceding the calendar year in respect of which the election applies, and no later than the last Business Day of the calendar year immediately preceding the calendar year in respect of which the election applies.
- (2) DSUs shall be credited to the Eligible Participant's Account at the same time as the time that the DSU Eligible Retainer would otherwise be paid to the Eligible Participant in cash, which, as of the effective date of the Plan, is quarterly in arrears. If no election has been validly made in respect of an Eligible Participant's DSU Eligible Retainer within the time period specified in Section 4.3(1), the Eligible Participant's full DSU Eligible Retainer shall be paid in cash in accordance with the Corporation's normal compensation policies.
- (3) In the case of an Non-Employee Director who has made an election pursuant to Section 4.3(1) in respect of his or her DSU Eligible Retainer, the number of DSUs (including fractional DSUs rounded to the fourth decimal place) to be credited to the Eligible Participant's Account in respect of such Eligible Participant's DSU Eligible Retainer shall be determined by dividing (i) the amount of the Eligible Participant's DSU Eligible Retainer, expressed in dollars, that the Eligible Participant elects to have satisfied in the form of DSUs, by (ii) the Market Value of a Share for the applicable date that DSUs are so granted, being the same date as the date that the DSU Eligible

Retainer would otherwise have been paid to the Non-Employee Director in cash. Unless otherwise specified by the Board, DSUs credited to a Non-Employee's Director Account in accordance with Section 4.3(2) shall be fully vested at the time granted.

4.4 Redemption / Settlement of DSUs

- (1) Subject to the vesting and other conditions and provisions in this Plan and in any DSU Agreement, each DSU awarded to a Participant shall entitle the Participant to receive on settlement a cash payment equal to the Market Value of a Share, or, at the discretion of the Board, one Share or any combination of cash and Shares.
- (2) A Canadian Participant may elect up to two dates on which the DSUs credited to the Canadian Participant's Account shall be redeemed (each, a "**DSU Redemption Date**") by filing an written election in the form attached to the Plan as Exhibit "D", or such similar form of election acceptable to the Board (the "**DSU Redemption Form**"), with the Corporation. Any such election shall be made no later than the Canadian Participant's Termination Date and may include up to two DSU Redemption Dates each of which must not: (i) be earlier than thirty (30) days after the Canadian Participant's Termination Date; (ii) fall within a Blackout Period that the Canadian Participant is subject to; and (iii) be later than the DSU Outside Redemption Date; provided that any such election made by filing a DSU Redemption Form with the Corporation during a Blackout Period shall not be valid. For greater certainty, in no event shall the aggregate of the number of DSUs subject to the first and second DSU Redemption Dates exceed the aggregate number of DSUs recorded in the Canadian Participant's Account on the Termination Date. Once validly made, the Participant's election for the DSU Redemption Dates shall be irrevocable. Where one or both of the DSU Redemption Dates specified on the DSU Redemption Form do not comply with the foregoing, or where an election is not or cannot be validly made by the Canadian Participant's Termination Date, there shall be only one DSU Redemption Date, which DSU Redemption Date shall be thirty (30) days after the Canadian Participant's Termination Date.
- (3) Except as otherwise provided in this Section 4.4 or Section 7.8 of this Plan, (i) DSUs of a Participant who is a U.S. Taxpayer shall be redeemed and settled by the Corporation as soon as reasonably practicable following the Participant's Separation from Service, and (ii) DSUs of a Participant who is a Canadian Participant (or who is neither a U.S. Taxpayer nor a Canadian Participant) shall be redeemed and settled by the Corporation on the applicable DSU Redemption Dates, but in any event not later than, and any payment (whether in cash or in Shares, or a combination thereof) in respect of the settlement of such DSUs shall be made no later than, the DSU Outside Redemption Date. Notwithstanding the foregoing, if a payment in settlement of DSUs of a Participant who is both a U.S. Taxpayer and a Canadian Participant:
 - (a) is required as a result of his or her Separation from Service in accordance with clause (i) above, but such payment would result in such DSUs failing to satisfy the requirements of paragraph 6801(d) of the ITA Regulations, and the Board determines that it is not practical to make such payment in some other manner or at some other time that complies with both Code Section 409A and paragraph 6801(d) of the ITA Regulations, then such payment will be made to a trustee to be held in trust for the benefit of the Participant in a manner that causes the payment to be included in the Participant's income under the Code but does not contravene the requirements of paragraph 6801(d) of the ITA Regulations, and the amount shall thereafter be paid out of the trust at such time and in such manner as complies with the requirements of paragraph 6801(d) of the ITA Regulations; or

- (b) is required pursuant to clause (ii) above, but such payment would result in such DSUs failing to satisfy the requirements of Code Section 409A because the Participant has not experienced a Separation from Service, and if the Board determines that it is not practical to make such payment in some other manner or at some other time that satisfies the requirements of both Code Section 409A and paragraph 6801(d) of the ITA Regulations, then the Participant shall forfeit such DSUs without compensation therefor.

The Corporation shall, at its discretion, be entitled to elect to settle all or any portion of the cash payment obligation otherwise arising in respect of the redemption and settlement of a Participant's DSUs either (a) by the issuance of Shares to the Participant (or the legal representative of the Participant, if applicable) on the applicable DSU Redemption Date, or (b) by paying all or a portion of such cash payment obligation to the Designated Broker, who shall use the funds received to purchase Shares in the open market, which Shares shall be registered in the name of the Designated Broker in a separate account for the Participant's benefit (or the benefit of the legal representative of the Participant, if applicable), less in any case all applicable withholding taxes and other applicable source deductions under Section 7.2.

- (4) The redemption and settlement of a Participant's vested DSUs shall occur on the applicable DSU Redemption Date as follows:
 - (a) where the Corporation has elected to settle all or a portion of the Participant's DSUs in Shares issued from treasury:
 - (i) in the case of Shares issued in certificated form, by delivery to the Participant (or to the legal representative of the Participant, if applicable) of a certificate in the name of the Participant (or the legal representative of the Participant, if applicable) representing the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions in accordance with Section 7.2; or
 - (ii) in the case of Shares issued in uncertificated form, by the issuance to the Participant (or to the legal representative of the Participant, if applicable) of the aggregate number of Shares that the Participant is entitled to receive, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 7.2, which Shares shall be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares;
 - (b) where the Corporation has elected to settle all or a portion of the Participant's DSUs in Shares purchased in the open market, by delivery by the Corporation to the Designated Broker of readily available funds in an amount equal to the Market Value of a Share as of the applicable DSU Redemption Date multiplied by the number of DSUs to be settled in Shares purchased in the open market, less the amount of any applicable withholding tax and other applicable source deductions under Section 7.2, along with directions instructing the Designated Broker to use such funds to purchase Shares in the open market for the benefit of the Participant (or the benefit of the legal representative of the Participant, if applicable) and to be evidenced by a confirmation from the Designated Broker of such purchase;
 - (c) any cash payment to which the Participant is entitled (excluding, for the avoidance of doubt, any amount payable in respect of the Participant's DSUs that the Corporation has

elected to settle in Shares) shall, subject to satisfaction of any applicable withholding tax and other applicable source deductions under Section 7.2, be paid to the Participant (or to the legal representative of the Participant, if applicable) by the Corporation in cash, by cheque or by such other payment method as the Corporation and Participant may agree; and

- (d) where the Corporation has elected to settle a portion, but not all, of the Participant's DSUs in Shares, the Participant shall be deemed to have instructed the Corporation to withhold from the cash portion of the payment to which the Participant is otherwise entitled such amount as may be required in accordance with Section 7.2 and to remit such withheld amount to the applicable taxation authorities on account of any withholding obligations of the Corporation, and the Corporation shall deliver any remaining cash payable, after making any such remittance, to the Participant (or to the legal representative of the Participant, if applicable) as soon as reasonably practicable. In the event that the cash portion elected by the Corporation to settle the Participant's DSUs is not sufficient to satisfy the withholding obligations of the Corporation pursuant to Section 7.2, any remaining amounts shall be satisfied by the Corporation by any other mechanism as may be required or determined by the Corporation as appropriate.

4.5 Determination of Amounts

- (1) The cash payment obligation by the Corporation in respect of the redemption and settlement of a vested DSU pursuant to Section 4.4 shall be equal to the Market Value of a Share as of the applicable DSU Redemption Date. For the avoidance of doubt, the aggregate cash amount to be paid to a Participant (or the legal representative of the Participant, if applicable) in respect of a particular redemption of the Participant's DSUs shall, subject to any adjustment in accordance with Section 6.1 and any withholding required pursuant to Section 7.2, be equal to the Market Value of a Share as of the DSU Redemption Date for such DSUs multiplied by the number of DSUs being redeemed (after deducting any such DSUs in respect of which the Corporation makes an election under Section 4.4(3) to settle such DSUs in Shares).
- (2) If the Corporation elects in accordance with Section 4.4(3) to settle all or a portion of the cash payment obligation arising in respect of the redemption of a Participant's DSUs by the issuance or delivery of Shares, the Corporation shall, subject to any adjustments in accordance with Section 6.1 and any withholding required pursuant to Section 7.2, issue or deliver to the Participant, for each DSU which the Corporation elects to settle in Shares, one Share. Where, as a result of any adjustment in accordance with Section 6.1, any withholding required pursuant to Section 7.2 and/or any proration in accordance with Section 5.2(2), the aggregate number of Shares to be received by a Participant upon an election by the Corporation to settle all or a portion of the Participant's DSUs includes a fractional Share, the aggregate number of Shares to be received by the Participant shall be rounded down to the nearest whole number of Shares.

4.6 Award of Dividend Equivalents

- (1) Dividend Equivalents may, as determined by the Board in its discretion and as set out in the applicable DSU Agreement, be awarded as a bonus for services rendered in the year in respect of DSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Where so determined, Dividend Equivalents, if any, will be credited to the Participant's Account in additional DSUs, the number of which shall be equal to a fraction where the numerator is the product of (a) the number of DSUs in such Participant's Account on the date that dividends are paid multiplied by

(b) the dividend paid per Share and the denominator of which is the Market Value of a Share calculated as of the date that dividends are paid. Any additional DSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting conditions) as the DSUs in respect of which such additional DSUs are credited, and shall be counted towards the participation limits in Section 2.5.

- (2) In the event that the Participant's applicable DSUs do not vest, all Dividend Equivalents, if any, previously credited in respect of such DSUs will be forfeited by the Participant.

ARTICLE 5 GENERAL CONDITIONS

5.1 General Conditions Applicable to Awards

Each Award shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of this Plan and the Award Agreement entered into in respect of such Award. The Board has the right, in its discretion, to waive any vesting conditions or accelerate the vesting of any Award, or to deem any Performance Criteria or other vesting conditions to be satisfied, notwithstanding the vesting schedule set forth for such Award.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or any of its Subsidiaries in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as a shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly settled and redeemed and Shares, if any, have been issued or delivered in respect thereof. Without in any way limiting the generality of the foregoing and except as provided under this Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued or delivered, as applicable.

- (5) **Conformity to Plan.** In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferability.** Except as set forth herein, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of descent and distribution. Awards may be settled or redeemed only for the benefit of:
- (a) the Participant to whom the Awards were granted;
 - (b) upon the Participant's death, by the legal representative of the Participant's estate; or
 - (c) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to settlement and redemption of any Award. A Person for whose benefit an Award is settled or redeemed may subscribe for, or receive, Shares only in the Person's own name or in the Person's capacity as a legal representative.

5.2 General Conditions Applicable to Share Units and DSUs

Except as otherwise provided in any Employment Agreement or Award Agreement and subject to Section 6.2, each Share Unit and DSU shall be subject to the following conditions:

- (1) **Termination.** Except as otherwise determined by the Board from time to time in its discretion, or as provided in Section 5.2(2), upon a Participant ceasing to be an Eligible Participant for any reason, including for greater certainty, as a result of death, disability, voluntary resignation or termination for Cause: (a) the Participant's participation in the Plan shall be terminated immediately; (b) all Share Units or DSUs credited to such Participant's Account which have not become vested as of the day immediately preceding the Participant's Termination Date shall be forfeited and cancelled on the Termination Date for no consideration, and the Participant shall have no further rights in respect of such Share Units and DSUs; and (c) any vested Share Units and vested DSUs credited to such Participant's Account shall be redeemed and settled in accordance with Section 3.5 on the Termination Date, in the case of vested Share Units, and in accordance with Section 4.4, in the case of vested DSUs. Notwithstanding the foregoing, if the Board, in its discretion, instead accelerates the vesting or waives vesting conditions with respect to all or some portion of outstanding unvested Share Units or unvested DSUs, the date of such action shall constitute the Share Unit Vesting Date or DSU Vesting Date, as applicable. For greater certainty, the Participant shall no longer be eligible for grants of Share Units or DSUs (including Dividend Equivalents) as of the Termination Date.
- (2) **Retirement or Involuntary Termination of Service.** Except as otherwise determined by the Board from time to time, at its discretion, upon a Participant ceasing to be an Eligible Participant as a result of Retirement or an involuntary Termination of Service (other than for Cause) any Share Units or DSUs credited to such Participant's Account which have not become vested as of the day immediately preceding the Participant's Termination Date shall vest on a prorated basis on the Termination Date, whereby the portion of each Award of otherwise unvested Share Units or unvested DSUs credited to a Participant's Account that vests on the Termination Date shall be equal

to the number of unvested Share Units or unvested DSUs, as applicable, subject to the applicable Award, multiplied by a fraction where the numerator is the number of days since the grant date of the applicable Award and the denominator is the number of days in the full Restriction Period of the applicable Award. Share Units or DSUs credited to such Participant's Account which were vested as of the day immediately preceding the Participant's Termination Date or which became vested pursuant to this Section 5.2(2) shall be redeemed and settled in accordance with Section 3.5 on the Termination Date, in the case of vested Share Units, and in accordance with Section 4.4, in the case of vested DSUs. For greater certainty, the Participant shall no longer be eligible for grants of Share Units or DSUs (including Dividend Equivalents) as of the Termination Date.

ARTICLE 6 ADJUSTMENTS AND AMENDMENTS

6.1 Adjustment to Shares Subject to Outstanding Awards

- (1) At any time after the grant of an Award and prior to the expiration of the term of such Award or the forfeiture or cancellation of such Award, in the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of the Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Corporation of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a Subsidiary or business unit of the Corporation or one of its Subsidiaries or cash proceeds of the disposition of such a Subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its discretion, subject to the required approval of any Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including:
 - (a) adjustments to the number of shares or cash payment to which the Participant is entitled upon settlement of such Award; or
 - (b) adjustments to the number or kind of shares reserved for issuance pursuant to the Plan.
- (2) Notwithstanding anything else herein contained, any adjustment to an Award granted under this Plan, other than in connection with a security consolidation or security split, shall be subject to the prior acceptance of the Exchange, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

6.2 Change of Control

- (1) In the event of a Change of Control, the Board may exercise its discretion to accelerate the vesting of, or waive, the Performance Criteria or any other vesting conditions applicable to, outstanding Share Units or DSUs, and the date of such action shall be the Share Unit Vesting Date or the DSU Vesting Date, as applicable.
- (2) Except as otherwise determined by the Board, at its discretion, if the Corporation completes a transaction constituting a Change of Control and concurrently with, or within 12 months following, the Change of Control, a Participant who was also an officer, employee or director of the Corporation prior to the Change of Control has their employment, Employment Agreement or

membership on the Board terminated, then all unvested Share Units or unvested DSUs, as the case may be, shall become vested, and the date of such Participant's Termination Date shall be deemed to be the Share Unit Vesting Date or the DSU Vesting Date, as applicable. All such Share Units and DSUs shall be redeemed and settled in accordance with Section 3.5 on the Termination Date, in the case of vested Share Units, and in accordance with Section 4.4, in the case of vested DSUs.

6.3 Amendment or Discontinuance of the Plan

- (1) The Board may amend, modify or terminate the Plan or any Award at any time without the consent of the Participants or shareholders of the Corporation, subject to any required approval of the Exchange in the event the Shares are listed on the Exchange, provided that no amendment will be made to the Plan or any Award without the consent of the applicable Participant, if such amendment would adversely alter or impair the rights of any Participant in respect of any Award previously granted to such Participant.
- (2) Notwithstanding Section 6.3(1), the Board shall be required to obtain shareholder approval, including, if required by the applicable Exchange, disinterested shareholder approval, to make the following amendments:
 - (a) any amendment to the maximum percentage or number of Shares that may be reserved for issuance pursuant to the settlement of Awards granted under the Plan, including an increase to the fixed maximum percentage of Shares or a change from a fixed maximum percentage of Shares to a fixed maximum number of Shares or vice versa, except in the event of an adjustment pursuant to Section 6.1;
 - (b) any amendment which would permit Awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes as allowed by Section 5.1(6);
 - (c) any amendment to the definition of an Eligible Participant under the Plan;
 - (d) any amendment to the participation limits set out in Section 2.5; or
 - (e) any amendment to this Section 6.3;
- (3) The Board may, by resolution, but subject to applicable regulatory approvals, decide that any of the provisions herein concerning the effect of termination of the Participant's employment or engagement shall not apply for any reason acceptable to the Board.
- (4) The Board may, subject to regulatory approval, discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not materially and adversely affect any Awards previously granted to a Participant under the Plan.

ARTICLE 7 MISCELLANEOUS

7.1 Use of an Administrative Agent

The Board may in its discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions

determined by the Board in its discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

7.2 Tax Withholding

Notwithstanding any other provision of the Plan, all distributions, delivery of Shares or payments to a Participant (or to the legal representative of the Participant) under this Plan shall be made net of any applicable withholdings, including in respect of applicable withholding taxes required to be withheld at source and other source deductions, as the Corporation (or applicable Subsidiary) determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then the withholding obligation may be satisfied in such manner as the Corporation (or applicable Subsidiary) determines, including (a) by the sale of a portion of such Shares by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1, on behalf of and as agent for the Participant, as soon as permissible and practicable, with the proceeds of such sale being used to satisfy any withholding and remittance obligations of the Corporation or applicable Subsidiary (and any remaining proceeds, following such withholding and remittance, to be paid to the Participant), (b) by requiring the Participant, as a condition of receiving such Shares, to pay to the Corporation (or applicable Subsidiary) an amount in cash sufficient to satisfy such withholding, or (c) any other mechanism as may be required or determined by the Corporation as appropriate.

7.3 Securities Law Compliance

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award, or the Corporation's election to deliver Shares in settlement of any Share Units or DSUs, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (3) Shares issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.
- (4) The Corporation shall ensure that all actions taken and decisions made by the Corporation pursuant to the Plan comply with applicable securities regulations and policies of the Corporation relating to insider trading and Blackout Periods.
- (5) With respect to Awards granted in the United States or to U.S. Persons (as defined under Regulation S under the U.S. Securities Act) or at such time as the Corporation ceases to be a "foreign private issuer" (as defined under the U.S. Securities Act), unless the Shares which may be issued or delivered upon the settlement or redemption of such Awards are registered under the U.S. Securities Act, the Awards granted hereunder and any Shares that may be issuable or deliverable upon the settlement or redemption of such Awards will be considered "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act). Accordingly, any such Awards or Shares

issued or delivered prior to an effective registration statement filed with the SEC may not be transferred, sold, assigned, pledged, hypothecated or otherwise disposed by the Participant, directly or indirectly, without registration under the U.S. Securities Act and all applicable state securities laws or unless in compliance with an available exemption therefrom. Certificate(s) representing the Awards and any Shares issued or delivered upon the settlement or redemption of such Awards prior to an effective registration statement filed with the SEC, and all certificate(s) issued in exchange therefor or in substitution thereof, will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act:

"THE SECURITIES REPRESENTED HEREBY [for Awards add: AND ANY SECURITIES ISSUABLE UPON EXERCISE HEREIN] HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED EXCEPT (A) PURSUANT TO A REGISTRATION STATEMENT EFFECTIVE UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (B) PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

7.4 Reorganization of the Corporation

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, 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, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect 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.

7.5 Quotation of Shares

So long as the Shares are listed on one or more Exchanges, the Corporation must apply to such Exchange or Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on any Exchange.

7.6 Governing Laws

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

7.7 Severability

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

7.8 Code Section 409A

It is intended that any payments under the Plan to U.S. Taxpayers shall be exempt from or comply with Code Section 409A, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Code Section 409A. Solely to the extent that Awards of a U.S. Taxpayer are determined to be subject to Code Section 409A, the following will apply with respect to the rights and benefits of U.S. Taxpayers under the Plan:

- (1) Except as permitted under Code Section 409A, any deferred compensation (within the meaning of Code Section 409A) payable to or for the benefit of a U.S. Taxpayer may not be reduced by, or offset against, any amount owing by the U.S. Taxpayer to the Corporation or any of its Affiliates.
- (2) If a U.S. Taxpayer becomes entitled to receive payment in respect of any Share Units or any DSUs that are subject to Code Section 409A, as a result of his or her Separation from Service and the U.S. Taxpayer is a "specified employee" (within the meaning of Code Section 409A) at the time of his or her Separation from Service, and the Board makes a good faith determination that (a) all or a portion of the Share Units or DSUs constitute "deferred compensation" (within the meaning of Code Section 409A) and (b) any such deferred compensation that would otherwise be payable during the six-month period following such Separation from Service is required to be delayed pursuant to the six-month delay rule set forth in Code Section 409A in order to avoid taxes or penalties under Code Section 409A, then payment of such "deferred compensation" shall not be made to the U.S. Taxpayer before the date which is six months after the date of his or her Separation from Service (and shall be paid in a single lump sum on the first day of the seventh month following the date of such Separation from Service) or, if earlier, the U.S. Taxpayer's date of death.
- (3) A U.S. Taxpayer's status as a "specified employee" (within the meaning of Code Section 409A) shall be determined by the Corporation as required by Code Section 409A on a basis consistent with Code Section 409A and such basis for determination will be consistently applied to all plans, programs, contracts, agreements, etc. maintained by the Corporation that are subject to Code Section 409A.
- (4) Although the Corporation intends that Share Units will be exempt from Code Section 409A or will comply with Code Section 409A, and that DSUs will comply with Code Section 409A, the Corporation makes no assurances that the Share Units will be exempt from Code Section 409A or will comply with it. Each U.S. Taxpayer, any beneficiary or the U.S. Taxpayer's estate, as the case may be, is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Taxpayer in connection with this Plan (including any taxes and penalties under Code Section 409A), and neither the Corporation nor any Subsidiary shall have any obligation to indemnify or otherwise hold such U.S. Taxpayer or beneficiary or the U.S. Taxpayer's estate harmless from any or all of such taxes or penalties.
- (5) In the event that the Board determines that any amounts payable hereunder will be taxable to a Participant under Code Section 409A prior to payment to such Participant of such amount, the Corporation may (a) adopt such amendments to the Plan and Share Units and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Board determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Share Units hereunder and/or (b) take such other actions as the Board determines necessary or appropriate to avoid or limit the imposition of an additional tax under Code Section 409A.

- (6) In the event the Corporation amends, suspends or terminates the Plan or Share Units as permitted under the Plan, such amendment, suspension or termination will be undertaken in a manner that does not result in adverse tax consequences under Code Section 409A.

7.9 Effective Date of the Plan

The Plan shall be effective only upon the approval of the Exchange, and, if required by such Exchange, by the shareholders of the Corporation.

EXHIBIT "A"
FORM OF SHARE UNIT AGREEMENT

This Share Unit Agreement is entered into between Pine Cliff Energy Ltd. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Share Unit Plan (the "**Plan**"), a copy of which is available upon request to the Corporation, and confirms that on:

1. _____ (the "**Grant Date**"), _____ (the "**Participant**") was granted _____ Share Units ("**Share Units**"), in accordance with the terms of the Plan, which Share Units will vest as follows:

Number of Share Units	Time Vesting Conditions	[Performance Conditions]	Vesting
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

all on the terms and subject to the conditions set out in the Plan.

2. The Participant confirms that he/she [is/is not] a Canadian Participant.
3. The Participant confirms that he/she [is/is not] a U.S. Taxpayer.
4. The Participant is entitled to have Dividend Equivalents credited to his or her Account in respect of the Share Units granted herein, pursuant to Section 3.7 of the Plan. [include only if applicable]
5. Subject to the terms and conditions of the Plan, [the performance period for any performance-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on • (the "**Performance Period**"), while] the restriction period for any time-based Share Units granted hereunder commences on the Grant Date and ends at the close of business on • (the "**Restriction Period**"). Subject to the terms and conditions of the Plan, Share Units will be redeemed and settled fifteen (15) days after the applicable Share Unit Vesting Date, all in accordance with the terms of the Plan.
6. By signing this Share Unit Agreement, the Participant:
- (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this Share Unit Agreement (subject to any specific variations contained in this Share Unit Agreement);
 - (b) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the grant, vesting and/or redemption of any Share Unit;
 - (c) acknowledges that a Share Unit does not carry any voting rights;
 - (d) acknowledges that the value of any settlement in respect of the Share Units granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed; and

- (e) recognizes that, at the discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.
7. The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this Share Unit Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this Share Unit Agreement, and (c) hereby accepts these Share Units subject to all of the terms and provisions herein and of the Plan. To the extent of any inconsistency between the terms of this Share Unit Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this Share Unit Agreement and the Plan and has had an opportunity to obtain the advice of counsel and other advisors prior to executing this Share Unit Agreement.
8. This Share Unit Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the Share Units and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter herein, and, except as provided in the Plan, may not be modified adversely to the Participant's interest except by means of a written agreement signed by the Parties. This Share Unit Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of Alberta. Should any provision of this Share Unit Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.
9. In accordance with Section 7.3(5) of the Plan, unless the Shares that may be issued upon the settlement of vested Share Units granted pursuant to this Share Unit Agreement are registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and all applicable state securities laws, such Shares may not be issued in the "United States" or to "U.S. Persons" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and all applicable state securities laws is available. Any Shares issued to a Participant in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Corporation and the Participant have executed this Share Unit Agreement as of _____, 20____.

PINE CLIFF ENERGY LTD.

Per: _____
Authorized Signatory

EXECUTED by ● in the presence of)
)
)
_____)
Signature)
)
_____)
Print Name)
)
_____)
Address)
)
_____)
Occupation:)
)

[NAME OF PARTICIPANT]

Note to Plan Participants

This Agreement must be signed where indicated and returned to the Corporation within thirty (30) days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your Share Units.

EXHIBIT "B"
FORM OF DSU AGREEMENT

This DSU Agreement is entered into between Pine Cliff Energy Ltd. (the "**Corporation**") and the Participant named below, pursuant to the Corporation's Share Unit Plan (the "**Plan**"), a copy of which is available upon request to the Corporation, and confirms that on:

1. _____ (the "**Grant Date**"), _____ (the "**Participant**") was granted _____ deferred share units ("**DSUs**"), in accordance with the terms of the Plan, which DSUs **[are fully vested] / [will vest as follows]:**

Number of DSUs	Time Vesting Conditions
_____	_____
_____	_____
_____	_____

all on the terms and subject to the conditions set out in the Plan.

2. The Participant confirms that he/she [is/is not] a Canadian Participant.
3. The Participant confirms that he/she [is/is not] a U.S. Taxpayer.
4. The Participant is entitled to have Dividend Equivalents credited to his or her Account in respect of the DSUs granted herein, pursuant to Section 4.6 of the Plan. [include only if applicable]
5. Subject to the terms of the Plan, the DSUs shall be settled, in cash (or, at the election of the Corporation, in Shares or a combination of cash and Shares), net of any applicable withholding taxes, on the applicable DSU Redemption Date. If you are a Canadian Participant, you are permitted to select up to two DSU Redemption Dates in accordance with the terms of the Plan by filing an irrevocable written election using the form attached to the Plan in Exhibit "C". Such election must be made no later than your Termination Date and you may select up to two DSU Redemption Dates, each of which: (i) is not earlier than thirty (30) days after your Termination Date; (ii) does not fall within a Blackout Period that you are be subject to; and (iii) is not later than December 15th of the first calendar year commencing immediately after your Termination Date. If you are a U.S. Taxpayer, the settlement will be as soon as administratively feasible following your Separation from Service and no election of the DSU Redemption Dates will be available. If you are both a U.S. Taxpayer and a Canadian Participant, the settlement of the DSUs will be subject to the provisions of Section 4.4(3) of the Plan.
6. By signing this agreement, the Participant:
- (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof, which terms and conditions shall be deemed to be incorporated into and form part of this DSU Agreement (subject to any specific variations contained in this DSU Agreement);

- (b) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the grant, vesting and/or redemption of any DSU;
 - (c) acknowledges that a DSU does not carry any voting rights;
 - (d) acknowledges that any settlement of the DSUs granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed;
 - (e) agrees he or she shall comply with applicable securities laws and regulations and policies of the Corporation relating to insider trading and Blackout Periods; and
 - (f) recognizes that, at the discretion of the Corporation, the Plan can be administered by a designee of the Corporation by virtue of Section 2.2 of the Plan and any communication from or to the designee shall be deemed to be from or to the Corporation.
7. The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of this DSU Agreement and the Plan; (b) agrees and acknowledges that the Participant has received a copy of the Plan and that the terms of the Plan form part of this DSU Agreement, and (c) hereby accepts these DSUs subject to all of the terms and provisions herein and of the Plan. To the extent of any inconsistency between the terms of this DSU Agreement and those of the Plan, the terms of the Plan shall govern. The Participant has reviewed this DSU Agreement and the Plan and has had an opportunity to obtain the advice of counsel and other advisors prior to executing this DSU Agreement.
8. This DSU Agreement and the terms of the Plan incorporated herein constitutes the entire agreement of the Corporation and the Participant (collectively, the "**Parties**") with respect to the DSUs and supersedes in its entirety all prior undertakings and agreements of the Parties with respect to the subject matter herein, and, except as provided in the Plan, may not be modified adversely to the Participant's interest except by means of a written agreement signed by the Parties. This DSU Agreement and the terms of the Plan incorporated herein are to be construed in accordance with and governed by the laws of the Province of Alberta. Should any provision of this DSU Agreement or the Plan be determined by a court of law to be illegal or unenforceable, such provision shall be enforced to the fullest extent allowed by law and the other provisions shall nevertheless remain effective and shall remain enforceable.
9. In accordance with Section 7.3(5) of the Plan, unless the Shares that may be issued upon the settlement of the DSUs are registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and all applicable state securities laws, such Shares may not be issued in the "United States" or to "U.S. Persons" (each as defined in Rule 902 of Regulation S under the U.S. Securities Act) unless an exemption or exclusion from the registration requirements of the U.S. Securities Act and all applicable states securities laws is available. Any Shares issued to a Participant in the United States that have not been registered under the U.S. Securities Act will be deemed "restricted securities" (as defined in Rule 144(a)(3) of the U.S. Securities Act) and bear a restrictive legend to such effect.

All capitalized terms used but not otherwise defined herein shall have the meaning ascribed to them in the Plan.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Corporation and the Participant have executed this DSU Agreement as of _____, 20____.

PINE CLIFF ENERGY LTD.

Per: _____
Authorized Signatory

EXECUTED by ● in the presence of)
)
)
_____)
Signature)
)
_____)
Print Name)
)
_____)
Address)
)
_____)
Occupation:)
)

[NAME OF PARTICIPANT]

Note to Plan Participants

This Agreement must be signed where indicated and returned to the Corporation within thirty (30) days of receipt. Failure to acknowledge acceptance of this grant will result in the cancellation of your DSUs.

EXHIBIT "C"
FORM OF DSU ELECTION AND ACKNOWLEDGEMENT FORM

This DSU Election and Acknowledgement Form (the "**Form**") is made by the Participant named below pursuant to Share Unit Plan (the "**Plan**") of Pine Cliff Energy Ltd. (the "**Corporation**"). Capitalized terms used and not defined herein are defined in the Plan. This Form must be submitted to the Corporation within the times specified in the Plan.

Please complete this Form to elect to receive the portion of your future DSU Eligible Retainer (in increments of five percent (5%)) that you wish to be satisfied by way of DSUs credited to your Account pursuant to Section 4.3(2) and return a signed and dated copy of this Form to the Corporation. In order to validly make such election, the Non-Employee Director must submit this Form following the expiry of the Blackout Period during the fourth quarter of the calendar year immediately preceding the calendar year in respect of which the election in this Form applies, and no later than the last Business Day of the calendar year immediately preceding the calendar year in respect of which the election in this Form applies.

DSU ELIGIBLE RETAINER ELECTION

In respect of my DSU Eligible Retainer for the calendar year commencing _____, I elect to receive the following percentage of my aggregate DSU Eligible Retainer in the form of DSUs:

_____ % of the aggregate DSU Eligible Retainer

By signing this Form, the Participant:

- (a) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof. In the event of any conflict between the terms of the Plan and this Form, the terms of the Plan will prevail and govern;
- (b) acknowledges that any election that he or she makes with respect to the DSU Eligible Retainer shall be effective only with respect to compensation paid for services performed in the calendar year after this Form is completed, and shall be irrevocable in respect of the calendar year for which it is made and shall remain in effect until modified or revoked by the filing of a new election form in accordance with the terms of the Plan, if applicable;
- (c) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the grant, vesting, and/or redemption of any DSU;
- (d) agrees he or she shall comply with applicable securities laws and regulations and policies of the Corporation relating to insider trading and Blackout Periods; and
- (e) acknowledges that any settlement of the DSUs granted herein is denominated in Canadian dollars (CAD\$), and such value is not guaranteed.

The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of the Plan and any applicable DSU Agreement; (b) agrees and acknowledges that the Participant has had the opportunity to seek the advice of counsel and other advisors, and (c) accepts these DSUs subject to all of the terms and provisions of the Plan and any applicable DSU Agreement.

[Signature page follows]

DATE:

[NAME OF PARTICIPANT]

EXHIBIT "D"
FORM OF DSU REDEMPTION ELECTION (FOR CANADIAN PARTICIPANTS ONLY)

This DSU Redemption Election (the "**Form**") is made by the Participant named below, pursuant to the Share Unit Plan (the "**Plan**") of Pine Cliff Energy Ltd. (the "**Corporation**"). Capitalized terms used and not defined herein are defined in the Plan.

Please complete this Form to select up to two dates on which your DSUs will be settled and redeemed, in cash (or, at the election of the Corporation, in Shares or a combination of cash and Shares), net of any applicable withholding taxes, in accordance with the Plan, and return a signed and dated copy of this Form to the Corporation. This Form must be submitted to the Corporation no later than your Termination Date.

Each of the DSU Redemption Dates selected below must be: (i) not earlier than thirty (30) days after your Termination Date; (ii) cannot fall within a Blackout Period that you are subject to; and (iii) not later than December 15th of the first calendar year commencing immediately after your Termination Date.

For greater certainty, in no event shall the aggregate of the number of DSUs elected pursuant to the first and second DSU Redemption Dates exceed the aggregate number of DSUs recorded in your Account on the Termination Date.

DSU REDEMPTION DATE ELECTION

I hereby elect the following dates as my DSU Redemption Dates:

DSU Redemption Date #1: _____, in respect of ____% of DSUs

DSU Redemption Date #2: _____, in respect of ____% of DSUs

By signing this agreement, the Participant:

represents that he or she is not a U.S. Taxpayer;

- (f) acknowledges that he or she has read and understands the Plan and agrees with the terms and conditions thereof. In the event of any conflict between the terms of the Plan and this Form, the terms of the Plan will prevail and govern;
- (g) acknowledges that he or she is responsible for paying any applicable taxes and withholding taxes arising from the grant, vesting and/or redemption of any DSU; and
- (h) acknowledges that any settlement of the DSUs is denominated in Canadian dollars (CAD\$), and such value is not guaranteed.

The Participant: (a) acknowledges and represents that the Participant fully understands and agrees to be bound by the terms and provisions of the Plan and any applicable DSU Agreement; (b) agrees and acknowledges that the Participant has had the opportunity to seek the advice of counsel and other advisors, and (c) accepts these DSUs subject to all of the terms and provisions of the Plan and any applicable DSU Agreement.

[Signature page follows]

DATE:

[NAME OF PARTICIPANT]