



**TIDEWATER**  
Midstream and Infrastructure Ltd.

## **Notice of Annual General and Special Meeting of Shareholders & Management Information Circular**

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**The Annual General and Special Meeting of Shareholders**  
of Tidewater Midstream and Infrastructure Ltd. will be held:

Monday, June 29, 2020, 2:30 p.m. (Calgary time)  
Livingston Place - West Tower  
Suite 1000, 250 - 2<sup>nd</sup> Street S.W.  
Calgary, Alberta T2P 0C1

Dated: May 26, 2020



## Notice of Annual General and Special Meeting of Shareholders to be held on June 29, 2020

May 26, 2020

**NOTICE IS HEREBY GIVEN THAT** an annual general and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Tidewater Midstream and Infrastructure Ltd. (“**Tidewater**” or the “**Corporation**”) will be held at Livingston Place - West Tower, Suite 1000, 250 - 2<sup>nd</sup> Street S.W., Calgary, Alberta T2P 0C1 on Monday, June 29, 2020 at 2:30 p.m. (Calgary time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2019 and the report of the auditors thereon;
2. to fix the number of directors for the ensuing year at seven;
3. to elect directors for the ensuing year as described in the management information circular (the “**Circular**”) accompanying this Notice;
4. to appoint Deloitte LLP as auditors for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditors;
5. to consider, and if thought fit, approve, adopt and ratify, with or without modification, the ordinary resolution, as more particularly set forth in the Circular, relating to the approval of unallocated stock options under the Corporation’s stock option plan;
6. to approve, on a non-binding advisory basis, the Corporation’s approach to executive compensation, as described in the Circular; and
7. to transact such further or other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular which forms a part of this Notice.

### **Note of Caution Concerning the COVID-19 Outbreak**

Due to the public health restrictions implemented to combat the spread of the COVID-19 pandemic, including restrictions on mass gatherings implemented by the Government of Alberta and taking into account the health and safety of our employees, Shareholders, service providers and other stakeholders, **the Corporation strongly encourages Shareholders not to attend the Meeting in person. The Corporation strongly encourages Shareholders to vote by proxy, by mail, by telephone or on the internet, rather than attending the Meeting in person.** To this end, only registered Shareholders and proxyholders will be permitted to attend the Meeting in person. Further restrictions with regard to the Meeting may be implemented by the Corporation as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Corporation may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered Shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19, they are not experiencing cold or flu-like systems, including fever, cough, difficulty breathing, muscle

aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Corporation reserves the right to refuse admission to a Shareholder or proxyholder seeking to attend the Meeting if the Corporation believes the Shareholder or proxyholder poses a health risk to attendees at the Meeting or would otherwise breach public health restrictions. **THE CORPORATION MAY LIMIT ATTENDEES AS REQUIRED BY MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF ALBERTA AT THE TIME OF THE MEETING.** In addition, any attendees will be required to practice social distancing at the Meeting.

In order to permit Shareholders and proxyholders to listen to the Meeting in real time, without having to attend in person, a conference call of the Meeting will be available as follows:

- North America Toll-Free: 1-888-231-8191
- Local / International: 647-427-7450
- Audio Webcast: [https://produceredition.webcasts.com/starthere.jsp?ei=1325291&tp\\_key=1aded43078](https://produceredition.webcasts.com/starthere.jsp?ei=1325291&tp_key=1aded43078)

**Shareholders will not be able to vote through the conference call;** however, there will be a question and answer session following the termination of the formal business of the Meeting during which Shareholders attending the conference call can ask questions.

**As the COVID-19 outbreak continues to be a rapidly evolving situation, and in light of changing public health restrictions and recommendations related to COVID-19, there may be changes to the date, time and location of the Meeting, or the Corporation may adjourn or postpone the Meeting. The Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).**

**WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE ELECTRONICALLY BY PROXY RATHER THAN ATTENDING THE MEETING IN PERSON.**

Only Shareholders of record at the close of business on May 26, 2020 will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee Shareholder, not later than 10 days before the Meeting, establishes ownership of the Common Shares and demands that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting in respect of such transferred Common Shares.

**While registered Shareholders are entitled to attend the Meeting in person, we strongly recommend that all Shareholders vote by proxy and accordingly ask that registered Shareholders complete, date and sign the enclosed form of proxy and return it, in the envelope provided, to the Corporation's transfer agent, TSX Trust Company, by delivering the proxy: (i) by mail to 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1; or (ii) by fax at (416) 595-9593, or (iii) online at [www.voteproxyonline.com](http://www.voteproxyonline.com), so that it is received by 2:30 p.m. (Calgary time) on Thursday, June 25, 2020 (or at least 48 hours prior to the commencement of any reconvened Meeting in the event of any adjournment(s) or postponement(s) thereof).**

**If you hold your Common Shares in a brokerage account, you are a non-registered Shareholder or beneficial Shareholder. Beneficial Shareholders who hold their Common Shares through a bank, broker or other financial intermediary should carefully follow the instructions found on the form of proxy or voting instruction form provided to them by their intermediary, in order to cast their vote.**

Your participation as a Shareholder is very important to the Corporation. Please vote your Common Shares on the matters before the Meeting by proxy and listen to the Meeting through the conference call.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Joel A. MacLeod"*

Joel A. MacLeod  
Chief Executive Officer



**TIDEWATER**  
Midstream and Infrastructure Ltd.

## Management Information Circular

This Management Information Circular (“**Circular**”) is sent in connection with the solicitation of proxies by the management of Tidewater Midstream and Infrastructure Ltd. (“**Tidewater**” or the “**Corporation**”) for use at the annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Corporation to be held on Monday, June 29, 2020 at 2:30 p.m. (Calgary time) at Livingston Place - West Tower, Suite 1000, 250 - 2<sup>nd</sup> Street S.W., Calgary, Alberta T2P 0C1, or any adjournment or postponement thereof. The Notice of Annual General and Special Meeting of Shareholders (“**Notice of Meeting**”) accompanying this Circular describes the purpose of the Meeting.

Unless otherwise stated, the information contained in this Circular is as of May 26, 2020 (the “**Effective Date**”). All dollar amounts set forth in this Circular are in Canadian dollars, unless otherwise indicated.

Certain supplementary measures in this Circular do not have any standardized meaning as prescribed under International Financial Reporting Standards (“**IFRS**”), which are also generally accepted accounting principles (“**GAAP**”) for publicly accountable entities in Canada, and, therefore, are considered non-GAAP financial measures. Measures such as “Adjusted EBITDA” and “distributable cash flow” are not standard measures under GAAP and, therefore, may not be comparable to similar measures reported by other entities. Management believes that these supplemental measures facilitate the understanding of Tidewater’s results of operations, leverage, liquidity and financial position. Readers are cautioned that these measures should not be construed as an alternative to measures determined in accordance with GAAP as an indication of Tidewater’s performance. Readers should refer to Tidewater’s 2019 annual financial statements and associated management discussion and analysis filed on SEDAR at [www.sedar.com](http://www.sedar.com) for a full discussion of Tidewater’s financial performance and a reconciliation of these measures to their most closely related GAAP measures.

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**WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE ELECTRONICALLY BY PROXY RATHER THAN ATTENDING THE MEETING IN PERSON.**

### **SOLICITATION OF PROXIES**

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**The solicitation of proxies is made on behalf of the management of the Corporation.** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owner 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 of the Corporation (“**Common Shares**”) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

### **APPOINTMENT AND REVOCATION OF PROXIES**

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Accompanying this Circular is a form of proxy for holders of Common Shares. The persons named (the “**Management Designees**”) in the enclosed form of proxy have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the Shareholder who appoints them.

**A Shareholder may appoint another person (who need not be a Shareholder) to represent such Shareholder at the Meeting, other than the persons designated in the accompanying form of proxy, and may do so either by inserting such person's name in the blank space provided in the accompanying form of proxy or by completing another form of proxy and, in either case, sending or delivering the completed proxy to the offices of TSX Trust Company: (i) by mail to 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1; or (ii) by fax at (416) 595-9593; or (iii) online at [www.voteproxyonline.com](http://www.voteproxyonline.com).** Such Shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a Shareholder personally attending at the Meeting and voting his or her Common Shares.

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to the Corporation c/o TSX Trust Company: (i) by mail to 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1; or (ii) by fax at (416) 595-9593; or (iii) online at [www.voteproxyonline.com](http://www.voteproxyonline.com), so that it is received by 2:30 p.m. (Calgary time) on Thursday, June 25, 2020 (or at least 48 hours prior to the commencement of any reconvened Meeting in the event of any adjournment(s) or postponement(s) thereof). Shareholders are cautioned that the transmission of proxies by mail is at each Shareholder's risk. Late proxies may be accepted or rejected by the Chairman of the Meeting, in his or her discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his or her authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1, fax (416) 595-9593, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment or postponement thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any adjournment or postponement thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting his or her Common Shares.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

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**The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold their Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records maintained by the Corporation’s registrar and transfer agent as the registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder’s name on the records of Tidewater. Such Common Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers and their agents and nominees are prohibited from voting Common Shares for their clients. Tidewater does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Applicable regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ 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 Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided to registered Shareholders by the Corporation; 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 Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares and mails a machine-readable voting instruction form (a “**VIF**”) in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the VIF to Broadridge by mail or facsimile, or to 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 Beneficial Shareholder who receives a VIF cannot use that VIF to vote Common Shares directly at the Meeting. The VIF 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.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker or other intermediary, a Beneficial Shareholder may attend at the Meeting as a proxyholder for the registered holder and vote the Common Shares in that capacity. **Beneficial 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 applicable form of proxy**

or VIF provided to them and return the document to their broker (or other intermediary or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent, well in advance of the Meeting. See “*Note of Caution Concerning the COVID-19 Outbreak*”.

**All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.**

## **NOTICE-AND-ACCESS**

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Tidewater has elected to use the notice-and-access provisions under NI 54-101 (the “**Notice-and-Access Provisions**”) for the Meeting in respect of mailings to Beneficial Shareholders but not in respect of mailings to registered Shareholders (i.e. a shareholder whose name appears on the records of the Corporation). The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post online an information circular in respect of a meeting of its shareholders and related materials.

More specifically, Tidewater has elected to use procedures known as ‘stratification’ in relation to its use of the Notice-and-Access Provisions. As a result, registered Shareholders will receive a paper copy of the Notice of Meeting, this Circular and a form of proxy, whereas Beneficial Shareholders will receive a notice containing information prescribed by the Notice-and-Access Provisions and a VIF. In addition, a paper copy of the Notice of Meeting, this Circular, and a VIF will be mailed to those Shareholders who do not hold their Common Shares in their own name but who have previously requested to receive paper copies of these materials. Furthermore, a paper copy of the financial information in respect of the most recently completed financial year of Tidewater was mailed to those registered Shareholders and Beneficial Shareholders who previously requested to receive information.

Tidewater will not be sending proxy-related materials directly to non-objecting Beneficial Shareholders. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

## **VOTING OF PROXIES**

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Each Shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the form of proxy accompanying this Circular. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the form of proxy accompanying this Circular, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

**The enclosed form of proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting or any adjournment or postponement thereof. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters that may come before the Meeting. In the event that other matters come before the Meeting (or any adjournment or postponement thereof), the Management Designees will vote in accordance with the judgment of management of the Corporation.**

## **QUORUM**

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The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two persons holding or representing by proxy not less than 25% of the outstanding shares entitled to vote at the meeting are present.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Tidewater is authorized to issue an unlimited number of Common Shares, without nominal or par value. As at the Effective Date, the Corporation had 338,290,485 Common Shares issued and outstanding.

The Common Shares are entitled to be voted at the Meeting, and holders of Common Shares are entitled to one vote for each Common Share held. Holders of Common Shares of record at the close of business on Tuesday, May 26, 2020 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his or her Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares, and demands not later than 10 days before the day of the Meeting that his or her name be included on the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his or her Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, other than as disclosed below, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

Name	Nature of Ownership <sup>(1)</sup>	Number and Percentage of Common Shares Held <sup>(1)(2)</sup>
Birch Hill Equity Partners Management Inc., as general partner of each of the limited partnerships listed below: Birch Hill Equity Partners V, LP Birch Hill Equity Partners (US) V, LP Birch Hill Equity Partners (Entrepreneurs) V, LP	Direct	81,336,771 (24.0%)

**Notes:**

- (1) As of the close of business prior to the Effective Date and based on the most recent public filings of such entity filed on the System for Electronic Disclosure by Insiders at [www.sedi.ca](http://www.sedi.ca).  
(2) Percentage is based on 338,290,485 Common Shares issued and outstanding as at the Effective Date.

## PARTICULARS OF THE MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### ITEM 1. REPORT AND FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the financial year ended December 31, 2019 and the auditor’s report on such statements, will be presented at the Meeting. A copy of the Corporation’s financial statements for the financial year ended December 31, 2019 and the auditor’s report thereon are also available under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com), and will be tabled at the Meeting. No vote by the Shareholders is required to be taken on the financial statements.

### ITEM 2. FIXING THE NUMBER OF DIRECTORS

The term of office of each of the current directors expires at the Meeting. At the Meeting, Shareholders will be asked to consider passing an ordinary resolution fixing the number of directors of Tidewater to be elected at seven members, as may be adjusted between Shareholder meetings by way of resolution of the Board in accordance with Tidewater’s articles.

The resolution to fix the number of directors of Tidewater at seven must be approved by a simple majority of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting. **Unless otherwise directed,**

it is the intention of the Management Designees, if named as proxy, to vote for the ordinary resolution in favour of fixing the number of directors to be elected at the Meeting at seven.

### ITEM 3. ELECTION OF DIRECTORS

The Shareholders will be asked to consider a resolution electing the directors of the Corporation to hold office until the next annual meeting of Shareholders. The persons nominated are, in the opinion of management, qualified to direct the activities of the Corporation until the next annual meeting of Shareholders. All nominees have indicated their willingness to stand for election.

The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominees, the nominee’s municipality and province or country of residence, principal occupation at the present time and during the preceding five years (where required), the period during which the nominee has served as a director, and the number and percentage of Common Shares that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as at the Effective Date.

**The Board unanimously recommends that the Shareholders vote “FOR” each of the director nominees listed below at the Meeting.**

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board.** The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her form of proxy that his or her Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed, all as the case may be, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”) to which the Corporation is subject.

At all meetings of the Board, every question is decided by a majority of the votes cast on the question; and in the case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote. Subject to the residency requirements contained in the ABCA, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then elected or appointed.

#### Nominees for Election as Directors

Name, Municipality of Residence, Office & Age	Present Occupation and Position Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Effective Date <sup>(1)(2)</sup>
<p><b>Joel A. MacLeod</b> Calgary, Alberta, Canada  <i>Chairman and Chief Executive Officer</i>  Age: 41</p>	<p>Mr. MacLeod has been a director and Chairman of the Corporation since February 4, 2015 and assumed the role of President and Chief Executive Officer of Tidewater on April 20, 2015. Mr. MacLeod is currently the Chairman and Chief Executive Officer of the Corporation. From August 2014 to March 2015, Mr. MacLeod was the Vice President, Rail of Secure Energy Services Ltd. Mr. MacLeod is a founder of Highwood Oil Company Ltd. (formerly Predator Oil Ltd.) (“<b>Highwood Oil</b>”). Mr. MacLeod was also the founding Chief Executive Officer and majority shareholder of Predator Midstream Ltd. from January 2012 to the sale of the company in August 2014.</p>	<p>7,828,486  (2.3%)</p>

<p><b>Doug Fraser</b> Calgary, Alberta, Canada <i>Lead Director</i> Age: 61</p>	<p>Mr. Fraser has been a director of the Corporation since April 20, 2015 and was appointed as Lead Director on November 13, 2017. Mr. Fraser was most recently the Chief Financial Officer at TAQA (from 2008 – 2011) based in Abu Dhabi where he oversaw oil and gas and infrastructure assets with a value of greater than \$30 billion. Prior to TAQA, Mr. Fraser was the Chief Financial Officer of PrimeWest Energy Trust (“<b>PrimeWest</b>”) (from 2007 – 2008) at the time of its acquisition by TAQA for approximately \$5 billion in cash. In roles previous to PrimeWest, Mr. Fraser was the Chief Financial Officer of Husky Energy and held senior roles at Petro-Canada and Imperial Oil.</p> <p><i>Mr. Fraser is a member of the Audit Committee (Chair) and a member of the Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee.</i></p>	<p>297,633 (Less than 1%)</p>
<p><b>Stephen J. Holyoake</b> Calgary, Alberta, Canada <i>Director</i> Age: 47</p>	<p>Mr. Holyoake has been a director of the Corporation since February 4, 2015. Currently, Mr. Holyoake is the President and Chief Executive Officer of Fireweed Energy Ltd. Mr. Holyoake was Vice-President, Drilling and Completions at Tangle Creek Energy Ltd. from 2012 to 2017 and was the Vice President of Operations at SkyWest Energy Corp. (“<b>SkyWest</b>”) from 2010 to 2012. Prior to joining SkyWest, Mr. Holyoake was the Manager Drilling &amp; Completions at Berens Energy Ltd. Mr. Holyoake is a director of Highwood Oil.</p>	<p>766,290 (Less than 1%)</p>
<p><b>Margaret A. (Greta) Raymond</b> Calgary, Alberta, Canada <i>Director</i> Age: 67</p>	<p>Ms. Raymond has been a director of the Corporation since May 25, 2017. Currently and since January, 2010, Ms. Raymond is the President (and owner) of 1508239 Alberta Ltd., a firm providing environment, health and safety management consulting services. Prior thereto from January, 1983 until August, 2009, Ms. Raymond held various roles at Petro-Canada, including five years as Vice President responsible for global human resources and health, safety and environment.</p> <p><i>Ms. Raymond is a member of the Audit Committee and a member of the Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee (Chair).</i></p>	<p>13,524 (Less than 1%)</p>
<p><b>Robert Colcleugh</b> Calgary, Alberta, Canada <i>Director</i> Age: 50</p>	<p>Mr. Colcleugh has been a director of the Corporation since May 25, 2017. Mr. Colcleugh has been the Chairman of the Board of Beyond Energy Services &amp; Technology Corp. (“<b>Beyond</b>”), a managed pressure drilling service company, since Aug 2017. Prior thereto, Mr. Colcleugh was the Chief Executive Officer of Beyond from January 2017 until August 2017. Mr. Colcleugh was the Chief Executive Officer and Director of Iron Bridge Resources Inc., a Toronto Stock Exchange (“<b>TSX</b>”) listed oil and gas producer, from July 2017 until its sale in October 2018. From 2009 until January 2017, he was Managing Director of Investment Banking for Macquarie Capital Markets Canada Ltd. (a division of Macquarie Bank). Prior thereto, he was one of the founders of Tristone Capital Inc., a global energy investment banking boutique that was purchased by Macquarie in 2009.</p> <p><i>Mr. Colcleugh is a member of the Audit Committee and a member of the Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee.</i></p>	<p>118,550 (Less than 1%)</p>

<p><b>Michael J. Salamon</b><sup>(3)</sup> Toronto, Ontario, Canada</p> <p><i>Nominee</i></p> <p>Age: 52</p>	<p>Mr. Salamon is a Partner and Executive Vice President at Birch Hill Equity Partners Management Inc. (“<b>Birch Hill</b>”) (private equity firm), which he joined in 2000 when it was part of TD Capital Group. Prior to Birch Hill, Mr. Salamon was Vice President at Harrowston Inc., a publicly-traded private equity investment company. Mr. Salamon is Chair of the board of directors of Terrapure Environmental Ltd. (waste management solutions) and is a director of Campus Energy Partners (midstream infrastructure and supply) and FlexNetworks (fibre-optics networks). He has served as a director of several public and private companies, including Anchor Lamina (former chair), Atria Networks (former chair), Avotus Corp., BIOX Corporation, DHX Media Ltd. (dba WildBrain), Marsulex Inc., Medwell Capital Corporation and Groupe Maskatel. Mr. Salamon holds an MBA from the University of Chicago Booth School of Business and a BAsC (Honours) in Electrical Engineering from the University of Toronto. Mr. Salamon is a P.Eng, a CFA and holds the ICD.D designation.</p> <p><i>Mr. Salamon is expected to be appointed as a member of the Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee if elected to the Board at the Meeting.</i></p>	<p>Nil<sup>(3)</sup></p>
<p><b>Neil McCarron</b><sup>(3)</sup> Toronto, Ontario, Canada</p> <p><i>Nominee</i></p> <p>Age: 34</p>	<p>Mr. McCarron is a Principal and Vice President at Birch Hill (private equity firm), which he joined in 2011. He has played key roles in Birch Hill's investments in Terrapure Environmental Ltd. (waste management solutions), Campus Energy Partners (midstream infrastructure and supply), Cozzini Bros., Sleep Country Canada, and Hi-Pro Feeds. Mr. McCarron has been a director of Terrapure Environmental since 2015, and previously served on the board of Sleep Country Canada Inc. from 2012 to 2015. Prior to Birch Hill, he was a Senior Consultant with Oliver Wyman in New York, working principally in M&amp;A advisory and operations improvement for the financial services sector. Mr. McCarron holds an HBA (with distinction) from the Richard Ivey School of Business at Western University.</p> <p><i>Mr. McCarron is expected to be appointed as a member of the Audit Committee if elected to the Board at the Meeting.</i></p>	<p>Nil<sup>(3)</sup></p>

**Notes:**

- (1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based upon information furnished to the Corporation by the above individuals.
- (2) Percentage is based on 338,290,485 Common Shares issued and outstanding as at the Effective Date.
- (3) Mr. Salamon is the Executive Vice President and Mr. McCarron is the Vice President of Birch Hill, the general partner of limited partnerships that own an aggregate of 81,336,771 Common Shares or 24.0% of the issued and outstanding Common Shares as of the close of business prior to the Effective Date (see “*Voting Securities and Principal Holders Thereof*”). Mr. Salamon and Mr. McCarron are the nominees of Birch Hill under the Board Nomination Agreement as described below under the heading “*Board Nomination Agreement*”.

**Majority Voting for Directors**

The Board has adopted a majority voting policy in director elections that will apply at any meeting of the Corporation’s shareholders where an uncontested election of directors is held. Pursuant to this policy, if the number of proxy votes withheld for a particular director nominee is greater than the votes for such director, the director nominee will be required to submit his or her resignation to the Chairman of the Board promptly following the applicable shareholders’ meeting. Following receipt of such resignation, the Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee of the Board (the “**CGCN Committee**”) will consider whether or not to accept the offer of resignation and make a recommendation to the Board. Within 90 days following the applicable shareholders’ meeting, the Board shall publicly disclose its decision whether to accept the applicable director’s resignation or not, including the reasons for rejecting the resignation, if applicable. The Board shall accept the director’s resignation absent exceptional circumstances. A director who tenders his or her resignation pursuant to this policy will not be permitted to participate in any meeting of the Board or the CGCN Committee at which the resignation is considered.

## Board Nomination Agreement

On March 11, 2020, the Corporation entered into a board nomination agreement (the “**Board Nomination Agreement**”) with Birch Hill, the general partner of limited partnerships that own an aggregate of 81,336,771 Common Shares or 24.0% of the issued and outstanding Common Shares as of the close of business prior to the Effective Date (see “*Voting Securities and Principal Holders Thereof*”).

Pursuant to the Board Nomination Agreement, Tidewater agreed to put forth at the Meeting for approval by Shareholders: (i) an increase in the size of the Board to eight directors; (ii) two Birch Hill nominees to the Board (the “**BH Nominees**”); and (iii) a new independent individual nominee to the Board (the “**Independent Nominee**”), with Mr. Michael J. Salamon and Mr. Neil McCarron as the BH Nominees. On May 25, 2020, the Corporation and Birch Hill agreed to amend the Board Nomination Agreement to provide for the appointment of the Independent Nominee to the Board following the Meeting and for the resolution put forth at the Meeting to fix the number of directors of Tidewater to be set at seven members, in order to give the parties additional time to identify a highly qualified and independent nominee on the Board. The Independent Nominee, who will be independent of Tidewater and Birch Hill, will be selected by mutual agreement of Tidewater and Birch Hill, acting reasonably and in good faith. Pursuant to the Board Nomination Agreement, as amended, Tidewater has agreed to take all steps necessary, as permitted under its constating documents, to further increase the size of the Board from seven to eight members and to have the Board appoint the Independent Nominee, once identified by the parties, to the Board as soon as practicable following the Meeting and, in any event, by no later than August 15, 2020.

At the Meeting, Birch Hill has agreed to vote, or provide consent or proxies with respect to, all Common Shares beneficially owned or under the direction or control of Birch Hill in favour of Tidewater’s management slate of directors in accordance with the terms of the Board Nomination Agreement and against any other persons proposed for election as directors at the Meeting.

Following the Meeting and assuming the election of the BH Nominees and the appointment of the Independent Nominee to the Board, the Corporation has agreed to appoint at least one of the BH Nominees to serve as a member of the Audit Committee and of the CGCN Committee. In addition, Tidewater will appoint the Independent Nominee to serve as a member of the CGCN Committee. Tidewater has agreed to limit the size of each such committee to four members.

In addition, Tidewater has agreed to nominate the Independent Nominee and, provided that Birch Hill holds at least 10% of the Corporation’s issued and outstanding Common Shares (calculated in accordance with the terms of the Board Nomination Agreement) on the record date of the annual general meeting of Shareholders to be held in 2021 (the “**2021 AGM**”), each of the BH Nominees, for re-election as directors of the Corporation at the 2021 AGM. The Board Nomination Agreement also provides for the appointment of substitute nominees in the event a BH Nominee or the Independent Nominee resigns or is unable or unwilling to stand for election, on the terms set out in the Board Nomination Agreement, as amended.

Except as otherwise permitted under the Board Nomination Agreement, as amended, from the date of the Board Nomination Agreement until the earlier to occur of (a) January 31, 2021 and (b) any material breach of the Board Nomination Agreement by Tidewater, Birch Hill has agreed to not: (i) participate in or actively assist any third party in any solicitation of proxies for use at a meeting of Shareholders; (ii) encourage, advise or influence any other person, or assist any third party in so encouraging, assisting or influencing any person with respect to the giving or withholding of any proxy at any meeting of Shareholders in a manner inconsistent with the Board Nomination Agreement; (iii) present or support any Shareholder proposal, motion or resolution at any meeting of Shareholders; (iv) solicit or grant any proxy with respect to any meeting of Shareholders other than to Tidewater management’s nominees; or (v) requisition a meeting of Shareholders.

In accordance with the terms of the Board Nomination Agreement, the parties entered into a registration rights agreement dated May 20, 2020 (the “**RRA**”) that provides Birch Hill with customary demand and piggy-back registration rights from and after March 1, 2021 for so long as Birch Hill beneficially owns or exercises control and/or direction over not less than 9.9% of the outstanding Common Shares.

The Board Nomination Agreement will terminate on the earlier of: (i) the day immediately preceding the annual general meeting of Shareholders to be held in 2022, and (ii) January 31, 2022.

The Board Nomination Agreement, as amended, includes other terms customary for an arrangement of this nature. The summary of the Board Nomination Agreement, as amended, is qualified in its entirety by the complete text of the Board Nomination Agreement, as amended, and the RRA, copies of which are available under Tidewater's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Cease Trade Orders or Bankruptcies**

To the best of the Corporation's knowledge, no proposed director is, as at the Effective Date, or has been within the 10 years before the Effective Date, a director or executive officer of any company (including Tidewater), that:

- (a) was subject to: (i) a cease trade order, (ii) an order similar to a cease trade order, or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director, within 10 years before the Effective Date, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

### **Personal Bankruptcies**

No proposed director has, within 10 years before the Effective Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

### **Penalties and Sanctions**

To the best of the Corporation's knowledge, no proposed director has, as at the Effective Date, 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 securityholder in deciding whether to vote for a proposed director,

other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **ITEM 4. APPOINTMENT OF AUDITOR**

Deloitte LLP are the current auditors of the Corporation. Management proposes that Deloitte LLP be re-appointed as auditors of the Corporation to hold office until the earlier of the next annual meeting of Shareholders or their removal by the Corporation, at a remuneration to be fixed by the Board. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote the proxies in favour of an ordinary resolution appointing Deloitte LLP as auditor of the Corporation and to authorize the Board to fix the remuneration of Deloitte LLP.** Deloitte LLP was appointed auditor of the Corporation effective September 18, 2015.

## ITEM 5. APPROVAL OF UNALLOCATED STOCK OPTIONS

The Corporation has a stock option plan (the “**Option Plan**”), which is described below under the heading “*Statement of Executive Compensation – Elements of Compensation – Incentive Plan Awards – Stock Options*”.

When stock options (“**Options**”) have been granted pursuant to the Option Plan, Common Shares that are reserved for issuance under outstanding Options are referred to as allocated Options. The Corporation has additional Common Shares that may be issued under the Option Plan, but as they are not subject to current Option grants, they are referred to as unallocated Options.

As at May 26, 2020, the maximum number of Common Shares that may be issued under the Option Plan and all other security based compensation arrangements of the Corporation, which includes the restricted share unit plan (the “**RSU Plan**”) and the deferred share unit plan (the “**DSU Plan**”), was 33,829,048, representing 10% of the number of issued and outstanding Common Shares on that date. As at May 26, 2020, the Corporation had: (i) Options to potentially acquire 15,848,152 Common Shares outstanding under the Option Plan (representing approximately 4.68% of the outstanding Common Shares), (ii) restricted share units (“**RSUs**”) to potentially acquire 10,892,514 Common Shares outstanding under the RSU Plan (representing approximately 3.22% of the outstanding Common Shares), and (iii) deferred share units (“**DSUs**”) to potentially acquire 284,116 Common Shares outstanding under the DSU Plan (representing approximately 0.08% of the outstanding Common Shares), leaving up to 6,804,266 Common Shares available for future grants under the Option Plan, the RSU Plan and the DSU Plan, based on the number of outstanding Common Shares as at that date (representing approximately 2.0% of the outstanding Common Shares).

Section 613(a) of the TSX Company Manual provides that every three years after the institution of a security based compensation arrangement, all unallocated rights, options or other entitlements under such arrangement which does not have a fixed maximum number of securities issuable must be approved by a majority of the issuer’s directors and by the issuer’s securityholders. As the Option Plan is considered to be a security based compensation arrangement and as the maximum number of Common Shares issuable pursuant to the Option Plan is not a fixed number and instead is equal to 10% of the Common Shares outstanding from time to time, approval is being sought at this Meeting to approve the grant of unallocated Options under the Option Plan. If approval is obtained at the Meeting, pursuant to the requirements of the TSX, the Corporation will not be required to seek further approval of the grant of unallocated Option under the Option Plan until June 29, 2023.

If at the Meeting, the Shareholders do not approve the unallocated Options under the Option Plan, all outstanding Options as at June 29, 2020 will be unaffected; however, until such time as Shareholder approval is obtained, the Corporation will not issue any further Options under the Option Plan. If approval is not obtained at the Meeting, the CGCN Committee and the Board may consider alternate forms of performance based compensation, including additional cash bonuses or other means, in order to attract and retain qualified personnel.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution to approve the grant of unallocated Options as follows:

“**BE IT RESOLVED** as an ordinary resolution that:

1. All unallocated stock options issuable pursuant to the stock option plan of Tidewater Midstream and Infrastructure Ltd. (the “**Corporation**”), as amended from time to time, are approved and authorized until June 29, 2023.
2. The Corporation has the ability to continue granting stock options pursuant to the stock option plan of the Corporation until June 29, 2023, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought.
3. Any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution.”

In order to be passed, the above ordinary resolution must be approved by a majority of the aggregate votes cast by Shareholders at the Meeting. **Management recommends that Shareholders vote “FOR” the above resolution.**

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the ordinary resolution in favour of the approval of the grant of unallocated Options.**

#### **ITEM 6. ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Board believes that attracting, motivating and retaining high performing executives is integral to the long-term success of Tidewater. Through a competitive compensation program that links executive compensation with company performance, Tidewater strives to align the actions of its executives with its long-term corporate strategy and Shareholder interest. You will find a detailed discussion of Tidewater’s executive compensation program under the heading “*Statement of Executive Compensation – Compensation Discussion and Analysis*”.

Shareholders will have the opportunity to vote for or against the Corporation’s approach to executive compensation. Effectively, this gives Shareholders a “say on pay”. This is an advisory vote, so the results will not be binding on the Board. The Board will, however, consider the outcome of the vote as part of its ongoing review of executive compensation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass a non-binding resolution concerning the Corporation’s approach to executive compensation as follows:

**“BE IT RESOLVED**, on an advisory basis and not to diminish the role and responsibilities of the board of directors of Tidewater Midstream and Infrastructure Ltd. (the “**Corporation**”), that the shareholders of the Corporation accept the approach to executive compensation disclosed in the Corporation’s management information circular delivered in advance of the 2020 annual general and special meeting of shareholders of the Corporation.”

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the Corporation’s approach to executive compensation as described in this Circular.**

#### **ITEM 7. OTHER BUSINESS**

The officers and directors of the Corporation are not aware of any matters, other than those indicated above, which may be submitted to the Meeting for action. **However, if any other matters should properly be brought before the Meeting, the enclosed proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.**

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

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors, of any person or company who has been: (a) if the solicitation is made by or on behalf of management of the Corporation, a director or executive officer of the Corporation at any time since the beginning of the Corporation’s last financial year; (b) if the solicitation is made other than by or on behalf of management of the Corporation, any person or company by whom or on whose behalf, directly or indirectly, the solicitation is made; (c) any proposed nominee for election as a director of the Corporation; or (d) any associate or affiliate of any of the foregoing persons or companies.

## STATEMENT OF EXECUTIVE COMPENSATION

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### COMPENSATION DISCUSSION AND ANALYSIS

#### I. ROLE AND COMPOSITION OF THE CORPORATE GOVERNANCE, COMPENSATION, NOMINATION AND HEALTH, SAFETY AND ENVIRONMENT COMMITTEE

The Corporation's executive compensation program is administered by the CGCN Committee. The CGCN Committee's mandate includes reviewing and making recommendations to the Board in respect of the compensation matters relating to the Corporation's executive officers, employees and directors, including the "Named Executive Officers" who are identified in the "*Summary Compensation Table of NEOs*", below.

The CGCN Committee is currently composed of Margaret A. (Greta) Raymond (Chair), Doug Fraser and Robert Colcleugh, all of whom are independent within the meaning of Canadian securities legislation. The skills and experience possessed by the members of the CGCN Committee acquired as a result of their experience as described under "*Particulars of Matters to be Acted Upon – Item 3. Election of Directors – Nominees for Election as Directors*" assist and enable them to make decisions on the suitability of the Corporation's compensation policies and practice. See also the skills matrix in Appendix "A" hereto under the heading "*Director Term Limits and Other Mechanisms of Board Renewal*".

The responsibilities of the CGCN Committee in respect of compensation matters include reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation; officer and director compensation (other than the Chief Executive Officer); the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits. See Appendix "A" hereto under the heading "*Compensation*", for additional information regarding the responsibilities of the CGCN Committee. The CGCN Committee has unrestricted access to the Corporation's personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

#### II. COMPENSATION PRINCIPLES AND OBJECTIVES

The Corporation's compensation program supports its commitment to deliver strong performance for its Shareholders. The compensation policies are designed to attract, recruit and retain quality and experienced people. In addition, the compensation program is intended to create an alignment of interests between the Corporation's executive officers and other employees with the long term interests of the Shareholders to ultimately enhance share value. In this way, a significant portion of each executive's compensation is linked to maximizing Shareholder value.

The compensation program supports the Corporation's long-term growth strategy and is designed to accomplish the following objectives:

- align executive compensation with corporate performance and appropriate peer group comparisons;
- produce long-term, positive results for Shareholders;
- provide market-competitive compensation and benefits to attract and retain highly qualified management; and
- provide incentives that encourage superior corporate performance to support the Corporation's overall business strategy and objectives.

The CGCN Committee has adopted a compensation program for the executive officers of the Corporation that covers the following key short-term elements: (i) a base fixed amount of salary and benefits; (ii) a performance based cash bonus; and the following key long-term elements: (iii) Options; (iv) RSUs; and (v) performance share units ("**PSUs**").

The Option Plan became effective on February 4, 2015 and the RSU Plan became effective on May 14, 2019 replacing the previous restricted share unit plan of the Corporation (the "**Previous RSU Plan**") on that date. The

performance share unit plan (the “**PSU Plan**”) became effective in September, 2015. The summary compensation table on page 24 reflects payments received by Named Executive Officers under the short-term and long-term incentive programs for such time periods.

The Corporation has reviewed the public disclosure available for other comparable oil and gas companies to assist in determining the competitiveness of base salary, bonuses, benefits and share-based awards paid to each of the executive officers of the Corporation. In particular, the Corporation selected the following peer group as measured by market capitalization and asset mix, including midstream infrastructure and exploration and production assets, and with operations in the Western Canadian Sedimentary Basin: AltaGas Ltd., Baytex Energy Corp., Gibson Energy Inc., Inter Pipeline Ltd., Keyera Corp., Parkland Fuel Corporation, Pembina Pipeline Corporation, Secure Energy Services Inc., Tamarack Valley Energy Ltd., and TORC Oil & Gas Ltd. (collectively, the “**Peer Group**”). The Corporation believes the Peer Group list is comprised of companies that had similar characteristics in common with the Corporation at the time of the evaluation and that would compete for similar executive talent and as such, provided a good basis for assessing the competitiveness of the Corporation’s compensation. Tidewater will continue to review its peer group and monitor its continued appropriateness over time.

In arriving at base salaries and the grant of Options, RSUs and PSUs for employees, including executive officers of the Corporation, other than the Chief Executive Officer, the Chief Executive Officer of the Corporation makes recommendations to the CGCN Committee. Upon the receipt of the recommendations, the CGCN Committee reviews the recommendations and may request the compensation data compiled by the Corporation and determines whether to accept the recommendations or make any changes. The CGCN Committee determines its recommendation with respect to compensation of the Chief Executive Officer in consultation with the other independent directors. Consultation between the Chief Executive Officer and the CGCN Committee is customary during this process. In the case of the grant of Options, RSUs and PSUs, the CGCN Committee, in consultation with the Chief Executive Officer, makes a recommendation to the Board for consideration and approval.

Bonus levels for the senior executive officers are established by the CGCN Committee. Bonus awards for executive officers are discretionary and certain performance measures will be used by the Corporation in consideration of short-term incentive awards. Establishment and payment of bonuses is subject to approval of the Board.

The CGCN Committee and the Board have considered the implications of the risks associated with the Corporation’s compensation policies and practices and have determined that there are no significant areas of risk given the nature of the compensation provided. The reasons for this determination include, without limitation, the following: components of the compensation are awarded on a discretionary basis; the compensation package for Named Executive Officers is reviewed and assessed annually by the CGCN Committee and the Board; the compensation program consists of fixed (base salary) and variable (annual cash bonuses and long-term Option, RSU and PSU grants) compensation, which is designed to balance the level of risk-taking while also focussing on generating long-term and sustainable value for Shareholders; Options, RSUs and PSUs typically vest over a period of time, which acts to further mitigate against the potential for inappropriate short-term risk-taking; and there are no compensation policies and practices that are significantly different for any Named Executive Officer. The CGCN Committee and the Board will continue to monitor compensation risk assessment practices on an ongoing basis to ensure that the Corporation’s compensation program is appropriately structured.

### **2019 Performance Assessment**

Tidewater made significant progress in its execution of strategic business development opportunities in fiscal 2019 and delivered record performance in this segment. These results were particularly notable in light of the challenges faced by the Canadian oil and gas industry since 2014, including low commodity prices, shifts in supply-demand fundamentals, transportation egress constraints (including curtailments on certain existing third party sales gas pipelines) and weak drilling activity. The table below is a summary of the key performance measures that assist the CGCN Committee in determining how Tidewater’s executives are paid.

Performance Category	Examples of Performance Measures	Highlights of Results Achieved in 2019
Commercial and Operational	<ul style="list-style-type: none"> <li>Organic growth</li> <li>Acquisitions</li> <li>Capital Expenditures</li> </ul>	<ul style="list-style-type: none"> <li>Commissioned approximately \$600 million (gross) of organic growth projects in 2019, including the Pipestone Gas Plant, Pipestone Gas Storage Facility and the Pioneer Pipeline.</li> <li>Acquired the Prince George Refinery in British Columbia for approximately \$215 million resulting in over 50% accretion to distributable cashflow in the first full-year of operations.</li> </ul>
Financial Performance and Stability	<ul style="list-style-type: none"> <li>Adjusted EBITDA</li> <li>Total shareholder return</li> <li>Liquidity</li> <li>Investor confidence</li> </ul>	<ul style="list-style-type: none"> <li>Achieved 12-month Adjusted EBITDA per share target of greater than 20% year over year.</li> <li>Increased return on capital employed (adjusted for projects under construction) as a result of increased Adjusted EBITDA.</li> <li>Total shareholder return was below target.</li> <li>Increased availability under the Corporation's credit facility with a 12-month plan to reduce leverage with cash flow generated from newly commissioned organic projects in 2019.</li> </ul>
Safety and Environment	<ul style="list-style-type: none"> <li>Regulatory reportable spills</li> <li>Lost time accidents</li> <li>Major incidents</li> <li>Recordable injury frequency</li> </ul>	<ul style="list-style-type: none"> <li>Zero lost time injuries during 2019.</li> <li>Three reportable spills in 2019, none of which had a material adverse effect on the environment nor any material cost implications to Tidewater.</li> <li>Zero major incidents throughout in 2019 (fire, explosion, major release/spill, serious injury or fatality).</li> <li>Overall total recordable injury frequency (TRIF) of 0.69 for 2019.</li> </ul>
People and leadership development	<ul style="list-style-type: none"> <li>Building top talent and creating a strong leadership culture</li> </ul>	<ul style="list-style-type: none"> <li>Built a strong project management team that executed on Tidewater's core projects while remaining on budget.</li> <li>Successfully changed the Corporation's organizational structure to build clear accountability among new business units.</li> </ul>

The CGCN Committee determined that Tidewater met its corporate objectives established for fiscal 2019. It recognized that there were both notable achievements, as well as significant challenges in 2019. In particular, the CGCN Committee noted strong performance with respect to the construction and commissioning of the Pipestone Gas Plant, Pipestone Gas Storage Facility and the Pioneer Pipeline Project, with the Pioneer Pipeline commissioned approximately four months ahead of schedule. The Corporation also exceeded its key health, safety and environment measures for another year during a period of extensive construction and community involvement. The CGCN Committee also considered the Corporation's financial results during the year, including Adjusted EBITDA and total shareholder return. Although the Corporation met its Adjusted EBITDA target for the year, it did not meet its total shareholder return targets.

After careful consideration of Tidewater's performance versus its objectives, the CGCN Committee considered 2019 performance to be above average.

### III. ELEMENTS OF COMPENSATION

Tidewater believes that the compensation of its executive officers should be aligned with the interests of Shareholders. The following factors ensure that Tidewater's executive compensation is aligned with the Corporation's short, medium and long-term goals:

- A large component of executive compensation is comprised of short, medium and long-term incentives, which are considered to be at risk because their value is based on specific performance criteria and payout is not guaranteed, with the Chief Executive Officer's compensation being 100% at risk during the financial year ended December 31, 2019.
- Options, RSUs and PSUs, which comprise a major portion of executive compensation, are tied to the performance of the Corporation and its Common Shares.
- Executive officers do not receive any significant perquisites, pensions or termination payments.

### **Named Executive Officers**

The Chief Executive Officer and Chief Financial Officer and the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, for the financial year ended December 31, 2019 are the "Named Executive Officers" or "NEOs". For the financial year ended December 31, 2019, the NEOs of the Corporation were Joel A. MacLeod, Tobias (Toby) J. McKenna, Joel Vorra, Jarvis A. Williams and Reed L. McDonnell.

### **Base Salary**

The objective of base salary compensation is to reward and retain Named Executive Officers. The program is designed to reward Named Executive Officers for maximizing Shareholder value in a volatile commodity-based business in a safe, environmentally responsible, regulatory compliant and ethical manner. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Corporation. Subjective factors such as leadership, commitment and attitude are also considered. It is the goal of the Corporation to pay base salary compensation in the range of industry peers in order to retain the Named Executive Officers while maintaining the overall goal that total compensation should be weighted more heavily toward variable and long-term performance based components.

### **Cash Bonus**

The objective of performance based bonuses is to incentivize the maximization of Shareholder value by the Named Executive Officers, taking into consideration the operating and financial performance by both the Corporation and the efforts and results of the Named Executive Officers. Increases in the value of the Corporation will result in increases in the amounts paid to the Named Executive Officers.

Short-term incentive awards include an annual cash bonus award with maximum percentage amounts in line with the percentages paid by the Peer Group. The following performance measures are used by the Corporation in consideration of short-term incentive awards (and other long-term incentive awards).

<b>Performance Measure</b>	<b>Weighting</b>	<b>Metrics to be considered</b>
Adjusted EBITDA/share growth	25%	Measured against targets set by the Corporation
Total Shareholder Return (including distributions)	20%	Benchmarked to the Corporation's Peer Group
Total Shareholder Return (including distributions)	10%	Benchmarked to TSX Energy Index
Return on Capital Employed	15%	Measured against targets set by the Corporation
Safety, Asset Integrity and Environmental	15%	Measured against industry averages

Performance Measure	Weighting	Metrics to be considered
Environmental, Social, Governance (ESG)	15%	Measured against targets set by the Corporation

For executive officers, performance and payouts under the short-term incentive awards are based on corporate performance. At or below the minimum level of corporate performance, no short-term incentive award will be paid; above the maximum level of corporate performance, payouts are subject to maximum amounts. See “2019 Performance Assessment” for a summary of the key performance measures for the financial year ended December 31, 2019.

Eligibility and payouts under both short-term incentive plans (STIP) and long-term incentive plans (LTIP) are measured based on Tidewater’s performance relative to peers using the above metrics subject to amounts outlined below.

Performance Level	Performance Achieved	Total STIP as % of Annual Salary	Total LTIP as % of Annual Salary
Maximum	Corporation at or above 90 <sup>th</sup> percentile	125%	300%
Target	Corporation at 60 <sup>th</sup> percentile	100%	200%
Meet	Corporation at 40 <sup>th</sup> percentile	50%	100%
Below Threshold	Corporation below 40 <sup>th</sup> percentile	0%	50%

Each performance measure is weighted individually against each performance level above to determine the weighted average total annual short-term and long-term incentive awards. Should the Corporation fall below the 40<sup>th</sup> percentile achievement for the Safety and Environmental performance measure as measured against industry averages, management will forfeit its annual short-term and long-term incentive awards for the respective period.

### **Option and Share Based Incentive Plan Awards**

The Corporation adopted the Option Plan and the RSU Plan to remain competitive in the energy industry, and the granting of reasonable levels of Options and RSUs is used as part of the Corporation’s overall compensation package. These option and share based awards provide an incentive for all of Tidewater’s personnel to ensure they are striving to maximize Shareholder value. The Board believes this established policy of granting option and share based awards meets the Corporation’s business objectives provided the total number of option and share based awards outstanding at any time is limited to a maximum of 10% of the Corporation’s issued and outstanding Common Shares.

The Option Plan and the RSU Plan are each administered by the Board (or a committee thereof), which has the power, subject to the limits imposed by the Option Plan and the RSU Plan, respectively, to: (i) award Options and RSUs thereunder; (ii) determine the terms under which Options and RSUs are granted; and (iii) make all other determinations and take all other actions in connection with the implementation and administration of the Option Plan and the RSU Plan, respectively.

In determining the persons to whom Options and RSUs may be granted, the Board takes into account such factors as it determines in its sole discretion, including any one or more of the following:

- (a) compensation data for comparable benchmark positions among the Corporation’s Peer Group;

- (b) the duties, responsibilities, position and seniority of the grantee;
- (c) various corporate performance measures for the applicable period compared with internally established performance measures approved by the Board and/or similar performance measures of members of the Corporation's Peer Group for such period;
- (d) the individual contributions and potential contributions of the grantee to the Corporation's success;
- (e) any bonus payments paid to or to be paid to the grantee, and any previous Options and RSUs granted to the grantee, in respect of his or her individual and potential contributions to the Corporation's success;
- (f) the fair market value or current market price of the Common Shares at the time of such grant; and
- (g) such other factors as the Board deems relevant in its sole discretion in connection with accomplishing the purposes of the Option Plan and RSU Plan, respectively.

### *Stock Options*

The following is a summary of certain provisions of the Option Plan, which is qualified in its entirety by the full text of the Option Plan.

The Option Plan permits the granting of Options to directors, officers, employees of, and consultants to, the Corporation. Notwithstanding the terms of the Option Plan, the Corporation does not grant Options to directors who are not officers or employees of the Corporation or its subsidiaries ("**Non-Employee Directors**") (see "*Statement of Director Compensation – General*").

The Option Plan limits the total number of Common Shares that may be issued on exercise of Options outstanding at any time under the Option Plan to 10% of the number of Common Shares issued and outstanding less the number of Common Shares reserved for issuance under any other security based compensation arrangement (as defined in the policies of the TSX) of the Corporation, which includes the RSU Plan and the DSU Plan, subject to the following additional limitations:

- (a) the aggregate number of Options granted to any one person (and companies wholly owned by that person) in a 12 month period must not exceed 5% of the issued Common Shares, calculated on the date an Option is granted to the person (unless the Corporation has obtained the requisite disinterested Shareholder approval), less the aggregate number of Common Shares reserved for issuance to such person under any other security based compensation arrangement of the Corporation;
- (b) the maximum number of Common Shares reserved for issuance under Options granted to Insiders of the Corporation (as defined in the policies of the TSX) under the Option Plan, together with any other security based compensation arrangement of the Corporation, may not exceed 10% of the issued Common Shares;
- (c) the maximum number of Common Shares that may be granted to Insiders under the Option Plan, together with any other security based compensation arrangement of the Corporation, within a 12 month period, may not exceed 10% of the issued Common Shares;
- (d) the maximum number of Common Shares which may be reserved for issuance to Non-Employee Directors (as a group), under the Option Plan, together with all other Common Shares reserved for issuance to such Non-Employee Directors under other security based compensation arrangements of the Corporation, shall not exceed 1% of the Common Shares outstanding at the time of the grant (on a non-diluted basis);
- (e) the aggregate number of Options granted to any one consultant of the Corporation in a 12 month period must not exceed 2% of the issued Common Shares, calculated at the date an Option is granted to the consultant, less the aggregate number of Common Shares reserved for issuance to such consultant under any other security based compensation arrangement of the Corporation; and
- (f) the aggregate number of Options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued Common Shares in any 12 month period, calculated at the date an Option is

granted to any such person, less the aggregate number of Common Shares reserved for issuance to such person under any other security based compensation arrangement of the Corporation. Options issued to persons retained to provide investor relations activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the Options vesting in any three month period.

Each Option and all rights thereunder will expire on the date set out in the applicable option agreement and will be subject to the earlier termination provisions of the Option Plan. Under the Option Plan, in the event of the death of a participant, the Options previously granted to such participant will be exercisable only within one year after such death and then only to the extent that such deceased participant was entitled to exercise his or her Option at the date of his or her death. If a participant ceases to be a director, officer, consultant, employee of the Corporation for any reason (other than death), such participant may exercise his or her Option to the extent that such participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after such participant ceases to be a director, officer, consultant, employee, subject to extension at the discretion of the Board and unless such participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of such participant's services to the Corporation, subject to extension at the discretion of the Board.

Pursuant to the Option Plan, the exercise price shall be fixed by the Board at the time that the Option is granted; however, no Option shall be granted with an exercise price at a discount to the market price. The market price shall be the closing price of the Common Shares on the TSX on the first day preceding the date of grant. The Option Plan also provides that the Board may, in its sole discretion, determine the time during which Options shall vest and the method of vesting, subject to any vesting restrictions imposed by the TSX.

The Option Plan includes a black-out provision. Pursuant to the policies of the Corporation respecting restrictions on trading, there are a number of periods each year during which directors, officers and certain employees are precluded from trading in the Corporation's securities. These periods are referred to as "black-out periods". A black-out period is designed to prevent a person from trading while in possession of material information that is not yet available to other Shareholders. The TSX recognizes these black-out periods might result in an unintended penalty to employees who are prohibited from exercising their Options during that period because of their Corporation's internal trading policies. As a result, the TSX provides a framework for extending Options that would otherwise expire during a black-out period. The Option Plan includes a provision that should an Option expiration date fall within a black-out period or immediately following a black-out period, the expiration date will automatically be extended without any further act or formality to that date which is the 10<sup>th</sup> business day after the end of the black-out period, and the 10 business day period may not be further extended by the Board.

Based on the policies of the TSX, the Option Plan specifies the types of amendments to the Option Plan and the Options granted thereunder that can be made by the Board without the approval of the Shareholders. The Option Plan allows the Board to terminate or discontinue the Option Plan at any time without the consent of the Option holders, provided that such termination or discontinuance shall not alter or impair any Option previously granted under the Option Plan. The only amendments to the Option Plan that would be subject to Shareholder approval are amendments that would:

- (a) reduce the exercise price of an outstanding Option, including a cancellation of an Option and re-grant of an Option in conjunction therewith, constituting a reduction of the exercise price of the Option;
- (b) extend the expiry date of an Option held by an Insider of the Corporation (subject to such date being extended by virtue of the black-out provision noted above or an extension of the early termination provisions of the Option Plan by the Board);
- (c) amend the limitations on the maximum number of Common Shares reserved or issued to Insiders and Non-Employee Directors;
- (d) make any amendments to the Option Plan that would permit an Option holder to transfer or assign Options to a new beneficial owner other than for estate settlement purposes;
- (e) increase the maximum number of Common Shares issuable pursuant to the Option Plan; or
- (f) amend the amendment provisions of the Option Plan.

Pursuant to the Option Plan, all benefits, rights and options accruing to any participant are not transferable or assignable unless in the event of the death of a participant.

The Corporation grants Options twice annually to all employees and officers, as approved by the Board, consistent with its employee retention philosophy and practices.

The Corporation's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under the Option Plan was 0.9% in fiscal 2017, 1.5% in fiscal 2018 and 1.7% in fiscal 2019. The burn rate is subject to change from time to time, based on the number of Options granted during the applicable fiscal year and the weighted average number of Common Shares issued and outstanding for the applicable fiscal year.

#### *Restricted Share Units*

The following is a summary of certain provisions of the RSU Plan, which is qualified in its entirety by the full text of the RSU Plan.

RSUs may be granted to officers, employees and consultants under the RSU Plan. Non-Employee Directors may not be granted RSUs under the RSU Plan, however, Non-Employee Directors may continue to be a participant with respect to RSUs granted under the Previous RSU Plan (see "*Statement of Director Compensation*").

The RSU Plan is a rolling plan which reserves for issuance a maximum of 5% of the issued and outstanding Common Shares. In no event shall the number of outstanding RSUs, Options and DSUs (on a combined basis) exceed 10% of the issued and outstanding Common Shares.

Unless disinterested Shareholder approval is obtained (or unless permitted otherwise by the rules of the TSX), the RSU Plan provides the following limitations:

- (a) the maximum number of Common Shares which may be reserved for issuance to Insiders under the RSU Plan, together with any other security based compensation arrangement of the Corporation, may not exceed 10% of the issued Common Shares;
- (b) the maximum number of RSUs that may be granted to Insiders under the RSU Plan, together with any other security based compensation arrangement of the Corporation, within a 12-month period, may not exceed 2% of the issued Common Shares calculated on the grant date;
- (c) the maximum number of RSUs that may be granted to any one Insider under the RSU Plan, may not exceed 1% of the issued Common Shares calculated on the grant date; and
- (d) the maximum number of RSUs that may be granted to any one eligible person under the RSU Plan, together with any other security based compensation arrangement of the Corporation, within a 12-month period, may not exceed 5% of the issued Common Shares calculated on the grant date.

At the option of the Corporation at the time of redemption by a participant, the Corporation may, subject to certain regulatory requirements, settle the vested RSUs that are redeemed by a participant for either Common Shares (with each full RSU to be redeemed for one Common Share) or, a lump sum payment equal to the amount determined by multiplying the number of RSUs to be redeemed by the market price of the Common Shares at such time.

Pursuant to the RSU Plan, there are no mandatory vesting provisions. At the discretion of the Board (or a committee thereof), RSUs granted under the RSU Plan may contain vesting conditions and the initial grant of RSUs have vesting provisions of one-third vesting on each anniversary date of the RSUs. The RSUs have a maximum expiry date of December 31 on the third year from grant.

All RSUs will be exercisable only by the person to whom they are granted and are non-assignable and non-transferable.

Unless otherwise determined by the Board, in its sole discretion, and subject to certain other provisions of the RSU Plan:

- (a) upon the voluntary resignation or the termination for cause of a participant, all of the participant's RSUs which remain unvested will be forfeited; and
- (b) upon the termination without cause, disability, the retirement or death of a participant, the participant will have a number of RSUs become vested in a linear manner equal to the sum for each grant of RSUs of the original number of RSUs granted multiplied by the number of completed months of employment since the date of grant divided by the number of months required to achieve the full vesting of such RSUs.

Subject to the terms of an applicable employment agreement, the vesting of RSUs and other awards may be accelerated upon the occurrence of a double trigger, including any one of a number of specified events that constitute a change of control of the Corporation and termination of the participant.

The RSU Plan contains provisions for adjustment in the number of Common Shares issuable on redemption of RSUs in the event of a share consolidation, split, reclassification or other relevant change in the Common Shares, or an amalgamation, merger or other relevant change in the Corporation's corporate structure, or any other relevant change in the Corporation's capitalization.

If the redemption date for a RSU occurs during or within 10 business days of a black-out period applicable to such participant, then the redemption date will be extended to the close of business on the 10<sup>th</sup> business day following the expiration of such period.

Subject to the applicable law and regulatory approval, if any, the RSU Plan may be amended without Shareholder approval for the following:

- (a) amendments of a "housekeeping" nature;
- (b) amending RSUs under the RSU Plan, including with respect to advancing the date on which any RSU may vest and the effect of termination of a participant, provided that such amendment does not adversely alter or impair any RSU previously granted to a participant without the consent of such participant;
- (c) amendments necessary to comply with the provisions of applicable law or the applicable rules of the TSX, including with respect to the treatment of RSUs granted under the RSU Plan;
- (d) amendments respecting the administration of the RSU Plan;
- (e) any amendments necessary to suspend or terminate the RSU Plan; and
- (f) any other amendment not requiring Shareholder approval under applicable law (including the policies of the TSX).

Notwithstanding the foregoing, Shareholder approval is required for the following amendments to the RSU Plan:

- (a) any amendment to the eligible persons under the RSU Plan, including amendments that may permit the reintroduction of Non-Employee Directors as eligible persons;
- (b) an amendment to remove or exceed the limits on participation under the RSU Plan;
- (c) an increase to the aggregate percentage of securities issuable under the RSU Plan;
- (d) any amendment to the RSU Plan allowing awards granted under the RSU Plan to be transferable or assignable to a new beneficial owner other than for normal estate settlement purposes;
- (e) any amendment that would have the effect of extending the term of a RSU beyond the original expiry;
- (f) an amendment granting additional powers to the Board to amend the RSU Plan without Shareholder approval; and
- (g) any amendment to the amending provisions of the RSU Plan.

The Corporation grants RSUs twice annually to all employees and officers, as approved by the Board, consistent with its employee retention philosophy and practices.

The value of the RSUs on any particular date will be calculated by multiplying the number of RSUs in the participant's RSU account by the then market value of the Common Shares.

On May 14, 2019, Shareholders approved the adoption of the RSU Plan, which replaced the Previous RSU Plan on that date. The RSU Plan is substantially similar to the Previous RSU Plan, except that the RSU Plan:

- (a) permits the account of a participant under the RSU Plan to be credited with the equivalent amount of any dividend paid on a Common Share in the form of additional RSUs, if the Board, in its sole discretion, so determines;
- (b) amended the definition of "Market Price" to mean the volume weighted average price of the Common Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five trading days immediately preceding the relevant date;
- (c) prohibits Non-Employee Directors from being granted RSUs;
- (d) changed the maximum number of Common Shares which may be reserved for issuance under the RSU Plan at any time from a fixed number to 5% (on a rolling basis) of the issued Common Shares;
- (e) requires the Corporation to obtain Shareholder approval for any amendment related to: (i) any amendment to the eligible persons under the RSU Plan, including amendments that may permit the reintroduction of Non-Employee Directors as eligible persons; (ii) any amendment to the RSU Plan allowing awards granted under the RSU Plan to be transferable or assignable to a new beneficial owner other than for normal estate settlement purposes; (iii) any amendment that would have the effect of extending the term of a RSU beyond the original expiry; and (iv) any amendment to the amending provisions of the RSU Plan;
- (f) provides that, subject to the terms of an applicable employment agreement, the vesting of RSUs and other awards may be accelerated upon the occurrence of a double trigger, including any one of a number of specified events that constitute a change of control of the Corporation and termination of the participant; and
- (g) provides that, at the option of the Corporation at the time of redemption by a participant, the Corporation may, subject to certain regulatory requirements, settle the vested RSUs that are redeemed by a participant for either Common Shares (with each full RSU to be redeemed for one Common Share) or, a lump sum payment equal to the amount determined by multiplying the number of RSUs to be redeemed by the market price of the Common Shares at such time.

The Corporation's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under the RSU Plan and the Previous RSU Plan was 1.1% in fiscal 2017, 1.3% in fiscal 2018 and 1.3% in fiscal 2019. The burn rate is subject to change from time to time, based on the number of RSUs granted during the applicable fiscal year and the weighted average number of Common Shares issued and outstanding for the applicable fiscal year.

### ***Performance Share Units***

In September 2015, the Board approved the implementation of the PSU Plan.

The PSU Plan provides for the grant of PSUs based on the most recent year's corporate performance. These payments are in the equivalent of cash amounts which are used to make purchases in the market for Common Shares. The awards, if any, will have a non-dilutive effect on Shareholders and will align the interests of the executive officers with all Shareholders. As a result, the PSU Plan provides a link to short-term performance, alignment to long-term Shareholder interests and enables retention of employees and officers without the dilutive aspects of issuing Common Shares from treasury or granting of other share based incentive awards. The table below summarizes the characteristics of the PSU Plan:

<b>Form of Award</b>	Common Shares acquired through the market.
<b>Participants</b>	Employees and officers of the Corporation. Directors are not eligible to receive PSUs unless they provide ongoing day-to-day management services to the Corporation.
<b>Dividends</b>	Are paid on outstanding, unvested, PSUs.
<b>Vesting</b>	Awards vest equally over a three-year period. If the employee leaves the employment of the Corporation for any reason other than retirement at normal retirement age, the unvested Common Shares are forfeited by the employee.
<b>Payout</b>	In Common Shares. The Common Shares purchased under the PSU Plan are restricted shares, as they can only be paid out in kind at vesting.
<b>Performance Measures</b>	The size of the award varies depending upon the corporate performance of the most recent year as measured by the performance scorecard used to determine the short-term incentive program payout. Awards may be nil when corporate performance is below a threshold level. Future realized values at the time of vesting will reflect stock price, performance and reinvested dividends over the vesting period.

The PSUs are expected to be granted based on the same corporate performance measures used for short-term incentives. In determining awards granted pursuant to the PSU Plan, the Board takes into consideration any previous awards granted. For executive officers, PSU awards are based on corporate performance. At or below the minimum level of corporate performance, no PSUs will be awarded.

### ***Employee Share Purchase Plan***

During the financial year ended December 31, 2016, the Board approved an employee share purchase plan (the “**ESPP**”) whereby eligible employees can purchase Common Shares. The Corporation will match 100% of the employee’s contribution, up to a maximum of 5% of the employee’s base salary. The Common Shares are acquired on the TSX consistent with the timing of the employee’s remuneration.

### ***Restrictions on Purchase of Financial Instruments***

The Corporation’s Insider Trading and Reporting Policy provides that the practice of selling “short” securities of the Corporation and the practice of buying or selling a “call” or “put” or any other derivative security in respect of any securities of the Corporation (except with respect to securities issued by the Corporation such as warrants or convertible debentures) is not permitted at any time by the directors, officers and employees of the Corporation.

### ***Clawback Policy***

The Corporation has implemented a formal recoupment or “clawback” policy on the incentive compensation of its Chief Executive Officer and Chief Financial Officer, including, without limitation, Options, RSUs and PSUs that may be awarded to the Chief Executive Officer or Chief Financial Officer when (i) the executive engages in willful misconduct or fraud which causes or significantly contributes to a restatement of the Corporation’s financial statements due to material noncompliance by the Corporation with any applicable financial reporting requirement under securities laws, (ii) the executive receives incentive compensation calculated on the achievement of those financial results, and (iii) the incentive compensation received would have been lower had the financial statements been properly reported. The policy provides that when a clawback is triggered, upon the recommendation of the CGCN Committee, the Board may, in its sole discretion and to the extent that it determines it is in the Corporation’s best interests to do so, require the Chief Executive Officer and/or the Chief Financial Officer to repay the amount of incentive compensation relating to the year(s) subject to the restatement or received upon exercise or payment of incentive compensation in or following the year(s) subject to the restatement that is in excess of the incentive compensation the executive would have received if the incentive compensation had been computed in accordance with the results as restated, calculated on an after tax basis.

#### IV. SUMMARY COMPENSATION TABLE OF NEOS

The following table sets forth all annual and long-term compensation for the financial years ended December 31, 2019, 2018 and 2017 for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were considered NEOs during the financial year ended December 31, 2019.

SUMMARY COMPENSATION TABLE									
					Non-Equity Incentive Plan Compensation (\$)				
Name and Principal Position	Year Ended December 31	Salary (\$)	Share-Based Awards/RSUs <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Annual Compensation Plans <sup>(3)</sup>	Long-Term Incentive Plans <sup>(4)</sup>	Pension Value <sup>(5)</sup> (\$)	All Other Compensation <sup>(6)</sup> (\$)	Total Compensation (\$)
<b>Joel A. MacLeod<sup>(7)</sup></b> <i>Chief Executive Officer</i>	2019	1	358,500	145,685	145,000	Nil	Nil	60,847	710,033
	2018	1	452,200	193,596	125,000	Nil	Nil	52,057	822,854
	2017	1	381,750	98,589	125,000	Nil	Nil	100,000	705,340
<b>Tobias (Toby) J. McKenna</b> <i>President, Midstream</i>	2019	185,000	268,875	107,037	125,000	Nil	Nil	49,682	735,594
	2018	175,000	354,000	138,424	150,000	Nil	Nil	43,521	860,945
	2017	168,300	345,000	55,797	138,848	Nil	Nil	48,131	756,076
<b>Joel K. Vorra</b> <i>Chief Financial Officer</i>	2019	185,000	268,875	107,037	125,000	Nil	Nil	49,682	735,594
	2018	175,000	354,000	138,424	150,000	Nil	Nil	43,521	860,945
	2017	168,300	345,000	55,797	138,848	Nil	Nil	48,131	756,076
<b>Jarvis A. Williams</b> <i>President, Downstream</i>	2019	185,000	268,875	107,037	125,000	Nil	Nil	49,682	735,594
	2018	175,000	354,000	138,424	150,000	Nil	Nil	43,521	860,945
	2017	168,300	345,000	55,797	138,848	Nil	Nil	48,131	756,076
<b>Reed L. McDonnell</b> <i>Chief Commercial Officer</i>	2019	185,000	268,875	107,037	125,000	Nil	Nil	49,448	735,361
	2018	175,000	354,000	138,424	150,000	Nil	Nil	43,521	860,945
	2017	168,300	345,000	55,797	138,848	Nil	Nil	48,131	756,076

**Notes:**

- (1) **"Share-Based Award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, phantom shares, phantom share units, common share equivalent units and stock. The dollar amount disclosed for: (a) the 2017 RSU grants is based on the closing share price at the date of grant, which was \$1.47 and \$1.29 for the two grants, respectively; (b) the 2018 RSU grants is based on the closing share price at the date of grant, which was \$1.37 and \$1.32 for the two grants, respectively; and (c) the 2019 RSU grants is based on the closing share price at the date of grant, which was \$1.41 and \$0.98 for the two grants, respectively. This methodology was chosen in order to be consistent with industry.
- (2) **"Option-Based Award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. This does not represent cash paid to the NEO. This figure is based on the grant date fair value of such options. The grant date fair value was determined in accordance with IFRS. This methodology was chosen in order to be consistent with the accounting fair value used by the Corporation in its financial statements and since the Black-Scholes option pricing model is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term, risk-free interest rate, dividend yield of stock and volatility of stock return. The options vest in thirds, on the first, second and third year anniversary of the grant date. Calculating the value of stock options using the Black-Scholes

option pricing model is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

- (3) Represents annual cash bonus awards that are declared and paid annually. See “*Elements of Compensation – Cash Bonus*” discussion above.
- (4) The Corporation does not currently have any non-equity long-term incentive plans.
- (5) The Corporation does not currently have any pension plans or pension awards.
- (6) The amounts under “All Other Compensation” include the value of the PSU grants, the value of the dividend equivalents on vested and unexercised RSUs, and the matching contributions made by the Corporation on behalf of the NEOs under the ESPP. See “*Elements of Compensation – Restricted Shares Units*”, “*– Performance Share Units*” and “*– Employee Share Purchase Plan*” discussion above. The value of the perquisites received by each of the NEOs, including other personal benefits provided to the NEOs that are not generally available to all employees, were not in the aggregate greater than \$50,000, or 10% of the NEO’s total salary for the financial year.
- (7) Mr. MacLeod does not receive any additional compensation for serving as a director of the Corporation.

During the financial year ended December 31, 2019:

- Joel A. MacLeod was paid an annual salary amount of \$1.00 and a discretionary bonus of \$145,000. He was granted Options to acquire 150,000 and 150,000 Common Shares exercisable at a price of \$1.41 and \$0.98, respectively, 300,000 RSUs and 37,485 (\$42,563) PSUs.
- Tobias (Toby) J. McKenna was paid an average monthly amount of \$15,417 and a discretionary bonus of \$125,000. He was granted Options to acquire 100,000 and 125,000 Common Shares exercisable at a price of \$1.41 and \$0.98, respectively, 225,000 RSUs and 20,807 (\$24,234) PSUs.
- Joel Vorra was paid an average monthly amount of \$15,417 and a discretionary bonus of \$125,000. He was granted Options to acquire 100,000 and 125,000 Common Shares exercisable at a price of \$1.41 and \$0.98, respectively, 225,000 RSUs and 20,807 (\$24,234) PSUs.
- Jarvis A. Williams was paid an average monthly amount of \$15,417 and a discretionary bonus of \$125,000. He was granted Options to acquire 100,000 and 125,000 Common Shares exercisable at a price of \$1.41 and \$0.98, respectively, 225,000 RSUs and 20,807 (\$24,234) PSUs.
- Reed L. McDonnell was paid an average monthly amount of \$15,417 and a discretionary bonus of \$125,000. He was granted Options to acquire 100,000 and 125,000 Common Shares exercisable at a price of \$1.41 and \$0.98, respectively, 225,000 RSUs and 20,807 (\$24,234) PSUs.

## V. INCENTIVE PLAN AWARDS

### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth details of all share-based and option-based awards outstanding for each Named Executive Officer of the Corporation as of the financial year ended December 31, 2019, including awards granted before the most recently completed financial year.

Name and Title	Option-Based Awards				Share-Based Awards			
	Number of Common Shares Underlying Unexercised Option-Based Awards (#)	Exercise Price (\$)	Expiration Date	Value of Unexercised In-the-Money Option-Based Awards <sup>(1)</sup> (\$)	Number of Share-based awards that have not vested <sup>(2)</sup> (#)	Value of Share-based awards that have not vested <sup>(3)</sup> (\$)	Number of Vested Share-based awards not paid out or distributed <sup>(2)</sup> (#)	Market or payout value of vested share-based awards not paid out or distributed <sup>(4)</sup> (#)
<b>Joel A. MacLeod</b> <i>Chief Executive Officer</i>	100,000	1.65	Sep. 3, 2020	Nil	614,999	719,549	5,186	6,067
	175,000	1.40	Mar. 31, 2021	Nil				
	60,000	1.39	Aug. 31, 2021	Nil				
	100,000	1.47	Mar. 31, 2022	Nil				
	75,000	1.29	Sep. 7, 2022	Nil				
	200,000	1.37	Apr. 3, 2023	Nil				
	150,000	1.32	Oct. 23, 2023	Nil				
	150,000	1.41	Apr 3, 2024	Nil				
	150,000	0.98	Oct 10, 2024	28,500				
<b>Tobias (Toby) J. McKenna</b> <i>President, Midstream</i>	100,000	1.65	Sep. 3, 2020	Nil	483,332	565,498	4,566	5,342
	150,000	1.40	Mar. 31, 2021	Nil				
	40,000	1.39	Aug. 31, 2021	Nil				
	50,000	1.47	Mar. 31, 2022	Nil				
	50,000	1.29	Sep. 7, 2022	Nil				
	150,000	1.37	Apr. 3, 2023	Nil				
	100,000	1.32	Oct. 23, 2023	Nil				
	100,000	1.41	Apr 3, 2024	Nil				
	125,000	0.98	Oct 10, 2024	23,750				
<b>Joel K. Vorra</b> <i>Chief Financial Officer</i>	100,000	1.65	Sep. 3, 2020	Nil	483,332	565,498	4,566	5,342
	150,000	1.40	Mar. 31, 2021	Nil				
	40,000	1.39	Aug. 31, 2021	Nil				
	50,000	1.47	Mar. 31, 2022	Nil				
	50,000	1.29	Sep. 7, 2022	Nil				
	150,000	1.37	Apr. 3, 2023	Nil				
	100,000	1.32	Oct. 23, 2023	Nil				
	100,000	1.41	Apr 3, 2024	Nil				
	125,000	0.98	Oct 10, 2024	23,750				
<b>Jarvis A. Williams</b> <i>President, Downstream</i>	100,000	1.65	Sep. 3, 2020	Nil	483,332	565,498	42,066	49,217
	150,000	1.40	Mar. 31, 2021	Nil				
	40,000	1.39	Aug. 31, 2021	Nil				
	50,000	1.47	Mar. 31, 2022	Nil				
	50,000	1.29	Sep. 7, 2022	Nil				
	150,000	1.37	Apr. 3, 2023	Nil				
	100,000	1.32	Oct. 23, 2023	Nil				
	100,000	1.41	Apr 3, 2024	Nil				
	125,000	0.98	Oct 10, 2024	23,750				

Name and Title	Option-Based Awards				Share-Based Awards			
	Number of Common Shares Underlying Unexercised Option-Based Awards (#)	Exercise Price (\$)	Expiration Date	Value of Unexercised In-the-Money Option-Based Awards <sup>(1)</sup> (\$)	Number of Share-based awards that have not vested <sup>(2)</sup> (#)	Value of Share-based awards that have not vested <sup>(3)</sup> (\$)	Number of Vested Share-based awards not paid out or distributed <sup>(2)</sup> (#)	Market or payout value of vested share-based awards not paid out or distributed <sup>(4)</sup> (#)
<b>Reed L. McDonnell</b> <i>Chief Commercial Officer</i>	100,000	1.65	Sep. 3, 2020	Nil	483,332	565,498	4,512	5,279
	150,000	1.40	Mar. 31, 2021	Nil				
	40,000	1.39	Aug. 31, 2021	Nil				
	50,000	1.47	Mar. 31, 2022	Nil				
	50,000	1.29	Sep. 7, 2022	Nil				
	150,000	1.37	Apr. 3, 2023	Nil				
	100,000	1.32	Oct. 23, 2023	Nil				
	100,000	1.41	Apr 3, 2024	Nil				
	125,000	0.98	Oct 10, 2024	23,750				

**Notes:**

- (1) Calculated based on the difference between the closing price of \$1.17 per Common Share on the TSX on December 31, 2019, the last day the Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of Common Shares available for the purchase under the option-based award.
- (2) Figure includes unvested RSUs and dividend equivalent rights associated therewith. See “*Elements of Compensation – Share Based Incentive Plan Awards – Restricted Share Units*” discussion above.
- (3) The value of share-based awards that have not vested has been calculated using the closing price of the Common Shares on December 31, 2019 of \$1.17.
- (4) Figure includes vested RSUs and the dividend equivalent rights associated therewith that have not been paid out.

None of the awards disclosed in the table above have been transferred at other than fair market value.

***Incentive Plan Awards - Value Vested or Earned During the Year***

For each NEO, the following table sets forth: (1) the value of option-based awards which vested or were earned during the financial year ended December 31, 2019, (2) the value of non-equity incentive plan compensation earned during the financial year ended December 31, 2019, and (3) the value of share-based awards which vested or were earned during the financial year ended December 31, 2019.

Name and Title	Option-Based Awards - Value of in-the-money vested during the year <sup>(1)</sup> (\$)	Non-Equity Incentive Compensation - Value Earned During the Year (\$)	Share-Based Awards - Value vested during the year <sup>(2)</sup> (\$)
<b>Joel A. MacLeod</b> <i>Chief Executive Officer</i>	Nil	N/A	375,829
<b>Tobias (Toby) J. McKenna</b> <i>President, Midstream</i>	Nil	N/A	322,068
<b>Joel K. Vorra</b> <i>Chief Financial Officer</i>	Nil	N/A	322,068
<b>Jarvis A. Williams</b> <i>President, Downstream</i>	Nil	N/A	322,068

Name and Title	Option-Based Awards - Value of in-the-money vested during the year <sup>(1)</sup> (\$)	Non-Equity Incentive Compensation - Value Earned During the Year (\$)	Share-Based Awards - Value vested during the year <sup>(2)</sup> (\$)
Reed L. McDonnell Chief Commercial Officer	Nil	N/A	321,853

**Notes:**

- (1) Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.
- (2) These share-based awards were granted under the RSU Plan. See “*Elements of Compensation – Share Based Incentive Plan Awards – Restricted Share Units*” discussion above.

The Corporation granted Options to the NEOs two times during the year ended December 31, 2019 as follows: (1) on April 3, 2019, the Corporation granted an aggregate of 550,000 Options at an exercise price of \$1.41; and (2) on October 10, 2019, the Corporation granted an aggregate of 650,000 Options at an exercise price of \$0.98. All of such Options have vesting provisions of one-third vesting on each anniversary date of the date of grant and expire on the five year anniversary of the date of grant.

The Corporation granted RSUs to the NEOs two times during the year ended December 31, 2019 as follows: (1) on April 3, 2019, the Corporation granted an aggregate of 600,000 RSUs based on a Common Share price at the date of grant of \$1.41 per Common Share; and (2) on October 10, 2019, the Corporation granted an aggregate of 600,000 RSUs based on a Common Share price at the date of grant of \$0.98 per Common Share. All of such RSUs have vesting provisions of one-third vesting on each anniversary date of the date of grant and a maximum expiry date of December 31 on the third year from grant.

During the year ended December 31, 2019, the Corporation paid dividend equivalents on its vested, unexercised RSUs in accordance with the RSU Plan.

The Corporation granted an aggregate of \$139,498 worth of PSUs to the NEOs during the year ended December 31, 2019. 45,436 of the PSUs were granted at a price of \$1.43 on April 3, 2019 and 75,277 of the PSUs were granted a price of \$0.99 on October 16, 2019. All of such PSU awards have vesting provisions of one-third vesting on each anniversary date of the date of grant.

**Pension Plan Benefits**

The Corporation does not have in place any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

**VI. TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Corporation has entered into executive employment agreements with each of the NEOs (the “**Employment Agreements**”). Each Employment Agreement provides for the NEO’s annual base salary, vacation entitlement and benefits.

The Employment Agreements include confidentiality, non-solicitation and non-competition provisions which extend beyond termination of the agreement. The non-solicitation provision extends for 12 months following termination and the non-competition provision extends for six months following termination for areas within 10 kilometres within any natural gas liquids terminal which the Corporation may operate at. In the event the Named Executive Officer’s employment is terminated by the Corporation with cause or by the Named Executive Officer for good reason, or by reason of illness, disability or incapacity, the Named Executive Officer is entitled to receive, due and payable in a lump sum on the fifth day following the date of termination, the portion of his annual salary earned up to the date of termination not already paid. In the event the Named Executive Officer’s employment is terminated by the Corporation without cause or there is a change of control of the Corporation, the Named Executive Officer is entitled to receive, due and payable in a lump sum on the fifth day following the date of the event, the portion of his annual salary earned up to the date of the event not already paid plus the equivalent of 12 months’ salary plus the amount equal to the average of the bonus paid for the previous two years (in the case of Mr. Joel A. MacLeod this will be

set at a salary equivalent of \$150,000 per annum rather than his salary of \$1.00 per annum). Upon a change of control, all Options, RSUs and PSUs at that time outstanding but unvested will automatically and irrevocably become vested in full.

For the financial year ended December 31, 2019, the NEOs would have been entitled to the following payments: (a) upon termination without cause: Joel A. MacLeod - \$287,417, Tobias (Toby) J. McKenna - \$322,417, Joel K. Vorra - \$322,417, Jarvis A. Williams - \$322,417, and Reed L. McDonnell - \$322,417; and (b) upon a change of control: Joel A. MacLeod - \$1,108,840, Tobias (Toby) J. McKenna - \$943,453, Joel K. Vorra - \$943,453, Jarvis A. Williams - \$943,453, and Reed L. McDonnell - \$943,453.

## **STATEMENT OF DIRECTOR COMPENSATION**

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For the financial year ended December 31, 2019, the Corporation had five directors, one of whom, Joel A. MacLeod (Chief Executive Officer) was also an executive officer as at December 31, 2019. Mr. MacLeod, an executive officer of the Corporation who also acts as a director of the Corporation, does not receive any additional compensation for services rendered in such capacity. For a description of the compensation paid to Mr. MacLeod, see “*Statement of Executive Compensation*” section above.

### **General**

Through the CGCN Committee, the Board is responsible for the development and implementation of a compensation plan for the Non-Employee Directors. The main objectives of the compensation plan for Non-Employee Directors are to attract and retain the services of the most qualified individuals and to compensate the directors in a manner that is commensurate with the risks and responsibilities assumed in board and committee membership and at a level that is similar to the compensation paid to directors of a peer group of oil and gas companies.

To meet and maintain these objectives, the CGCN Committee annually performs a review of the Non-Employee Directors’ compensation plan, which includes reviewing the compensation paid to directors of an industry specific peer group (see “*Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Principles and Objectives*” for a listing of the Peer Group members for the year ended December 31, 2019). The CGCN Committee then recommends any changes to the compensation plan to the Board for consideration and, if deemed appropriate, approval.

Non-Employee Directors are eligible to participate in the DSU Plan and other long-term compensation plans adopted by the Corporation from time to time. Although historically Non-Employee Directors have been eligible to participate in the Previous RSU Plan and the Option Plan, the RSU Plan prohibits Non-Employee Directors from being granted RSUs and no Options have been granted to Non-Employee Directors since 2018. Non-Employee Directors are limited to receiving not more than an aggregate of \$150,000 worth of awards under the security based compensation arrangements of the Corporation within any one year period.

### **Director Share Ownership Guidelines**

The Board believes it is important that directors demonstrate their commitment to the Corporation and their duties through share ownership. The Corporation has adopted share ownership guidelines that set out the minimum levels of Common Share ownership for the Corporation’s directors based on a multiple of their annual retainer. Pursuant to the guidelines, the Non-Employee Directors must hold Common Shares having a market value equal to three times their annual retainer. Each Non-Employee Director of the Corporation is required to meet and maintain ownership of the applicable minimum value of Common Shares within a period expiring five years from the later of: (a) March 11, 2020, and (b) the date of their election or appointment to the Board. For the purpose of determining Common Share ownership of a particular director, the Corporation will include: (a) the value of Common Shares owned or controlled, directly or indirectly, by the director, the director’s spouse and the director’s dependent children; (b) the value of DSUs granted to the director under the DSU Plan; (c) the value of Common Shares held in a trust for the benefit of the director or his or her immediate family; and (d) the value of Common Shares held by the director in other individual retirement accounts.

As described in the following table, all Non-Employee Directors were in compliance with the share ownership guidelines as at the Effective Date.

Name	Years of Service <sup>(1)</sup>	Ownership Requirement	Number of Common Shares Held <sup>(1)</sup>	Number of DSUs Held <sup>(1)</sup>	Total Value of Equity Investment <sup>(1)</sup>	Multiple of Ownership Requirement	Compliance with Guidelines (Y/N) <sup>(2)</sup>
Stephen J. Holyoake	Five	150,000	766,290	53,074	958,656	6	Y
Doug Fraser	Five	180,000	297,633	53,074	410,327	2	Y
Margaret A. (Greta) Raymond	Three	150,000	13,524	53,074	77,920	1	Y
Robert Colcleugh	Three	150,000	18,550 <sup>(3)</sup>	53,074	83,800	1	Y

**Notes:**

- (1) These calculations are made as at December 31, 2019 in accordance with the director share ownership guidelines.
- (2) Each Non-Employee Director is required to meet and maintain ownership of the applicable minimum value of Common Shares within a period expiring five years from the later of: (a) March 11, 2020, and (b) the date of their election or appointment to the Board.
- (3) Mr. Colcleugh acquired 100,000 Common Shares subsequent to the year end December 31, 2019 and presently holds 118,550 Common Shares.

**I. DIRECTORS' SUMMARY COMPENSATION TABLE**

The following table sets forth all compensation provided to the Non-Employee Directors for the financial year ended December 31, 2019.

SUMMARY COMPENSATION TABLE							
Name	Fees Earned (\$)	Share-Based Awards/ DSUs <sup>(1)</sup> (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Stephen J. Holyoake	50,000	42,286	Nil	Nil	Nil	Nil	92,286
Doug Fraser	60,000	42,286	Nil	Nil	Nil	Nil	102,286
Margaret A. (Greta) Raymond	50,000	42,286	Nil	Nil	Nil	Nil	92,286
Robert Colcleugh	50,000	42,286	Nil	Nil	Nil	Nil	92,286

**Notes:**

- (1) **"Share-Based Award"** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock. The dollar amount disclosed for the 2019 DSU grants is based on the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of the grant of the DSUs, which was \$1.42 and \$1.00 for the two grants, respectively. This methodology was chosen in order to be consistent with industry. Figure does not include the dividend equivalent rights associated with DSUs.
- (2) **"Option-Based Award"** means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.

During the year ended December 31, 2019, each Non-Employee Director received a quarterly retainer fee of \$50,000, except for the Chair of the Audit Committee, Doug Fraser, who received a quarterly retainer fee of \$60,000.

## II. INCENTIVE PLAN AWARDS

### ***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth details of all share-based and option-based awards outstanding for each Non-Employee Director of the Corporation as of the financial year ended December 31, 2019, including awards granted before the most recently completed financial year.

Name and Title	Option-Based Awards				Share-Based Awards			
	Number of Common Shares Underlying Unexercised Option-Based Awards (#)	Exercise Price (\$)	Expiration Date	Value of Unexercised In-the-Money Option-Based Awards <sup>(1)</sup> (\$)	Number of DSUs / RSUs that have not vested <sup>(2)</sup> (#)	Market Value of DSUs / RSUs that have not vested <sup>(3)</sup> (\$)	Number of Vested DSUs / RSUs not paid out or distributed <sup>(2)</sup> (#)	Market or Payout Value of DSUs / RSUs vested not paid out or distributed <sup>(3)</sup> (\$)
<b>Stephen J. Holyoake</b>	25,000	1.65	Sep. 3, 2020	Nil	26,666	31,199	53,691	62,818
	70,000	1.40	Mar. 31, 2021	Nil				
	15,000	1.39	Aug. 31, 2021	Nil				
	15,000	1.47	Mar. 31, 2022	Nil				
	15,000	1.29	Sep. 7, 2022	Nil				
<b>Doug Fraser</b>	25,000	1.65	Sep. 3, 2020	Nil	26,666	31,199	72,982	85,389
	80,000	1.40	Mar. 31, 2021	Nil				
	15,000	1.39	Aug. 31, 2021	Nil				
	15,000	1.47	Mar. 31, 2022	Nil				
	15,000	1.29	Sep. 7, 2022	Nil				
<b>Margaret A. (Greta) Raymond</b>	15,000	1.29	Sep. 7, 2022	Nil	21,666	25,349	53,455	62,542
<b>Robert Colcleugh</b>	15,000	1.29	Sep. 7, 2022	Nil	21,666	25,349	53,239	62,289

#### **Notes:**

- (1) Calculated based on the difference between the closing price of \$1.17 per Common Share on the TSX on December 31, 2019, the last day the Common Shares were traded before the year end, and the exercise price of the option-based award, multiplied by the number of Common Shares available for the purchase under the option-based award.
- (2) Figure includes DSUs and RSUs, including any applicable dividend equivalent rights. All DSUs and the dividend equivalent rights associated therewith are not exercisable by a director until the redemption date, such redemption date occurring only after the cessation of directorship, and are therefore shown as unvested. Please see "*Statement of Director Compensation – Incentive Plan Awards – Deferred Share Unit Plan*".
- (3) The value has been calculated using the closing price of the Common Shares on December 31, 2019 of \$1.17.

None of the awards disclosed in the table above have been transferred at other than fair market value.

### ***Incentive Plan Awards - Value Vested or Earned During the Year***

For each Non-Employee Director, the following table sets forth: (1) the value of option-based awards which vested or were earned during the financial year ended December 31, 2019, (2) the value of non-equity incentive plan compensation earned during the financial year ended December 31, 2019, and (3) the value of share-based awards which vested or were earned during the financial year ended December 31, 2019.

Name and Title	Option-Based Awards - Value of in-the-money vested during the year <sup>(1)</sup> (\$)	Non-Equity Incentive Compensation - Value Earned During the Year (\$)	Share-Based Awards - Value vested during the year <sup>(2)</sup> (\$)
Stephen J. Holyoake	Nil	N/A	37,090
Doug Fraser	Nil	N/A	35,732
Margaret A. (Greta) Raymond	Nil	N/A	16,004
Robert Colcleugh	Nil	N/A	16,004

**Notes:**

- (1) Calculated based on the difference between the market price of the Common Shares underlying the option-based award at the vesting date and the exercise price of the option-based award on the vesting date.
- (2) These share-based awards were granted under the Previous RSU Plan and the DSU Plan. See “*Elements of Compensation – Share Based Incentive Plan Awards – Restricted Share Units*” discussion above and “*Deferred Share Unit Plan*” below. In addition to share-based awards that the Corporation granted to Non-Employee Directors in 2019, share-based awards were issued pursuant to the dividend equivalent rights associated with DSUs granted to Non-Employee Directors. Value is based on the five day weighted average trading price of the Common Shares as of the dividend payment date. Please see “*Statement of Director Compensation – Incentive Plan Awards – Deferred Share Unit Plan*”.

The Corporation did not grant RSUs to Non-Employee Directors during the year ended December 31, 2019.

The Corporation granted DSUs to the Non-Employee Directors twice during the year ended December 31, 2019. On April 3, 2019, the Corporation granted an aggregate of 70,000 DSUs based the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of the grant of \$1.42 per Common Share. On October 10, 2019, the Corporation granted an aggregate of 70,000 DSUs based the volume weighted average trading price of the Common Shares on the TSX for the five trading days immediately preceding the date of the grant of \$1.00 per Common Share. All of such DSUs vested immediately upon being credited to the participant’s account. However, a director is not entitled to receive payment of any amount for DSUs credited to his or her account until they have ceased to hold any positions with the Corporation (as further described below).

***Deferred Share Unit Plan***

On April 2, 2018, Shareholders approved the adoption of the DSU Plan for the Non-Employee Directors of the Corporation.

The DSU Plan allows the Board to grant DSUs to members of the Board, who are not also a full time employee of the Corporation or its subsidiaries. The purposes of the DSU Plan are to: (i) promote greater alignment of the interests between the Corporation’s directors and the Shareholders by providing a means to accumulate a financial interest in the Corporation that corresponds to the risk, responsibility and commitment of directors; (ii) support compensation that is competitive and rewards the Corporation’s long-term success as measured in total shareholder return; and (iii) attract and retain qualified individuals with the experience and ability to serve as directors.

The DSU Plan is administered by the CGCN Committee. Subject to the CGCN Committee’s reporting to and obtaining approval from the Board on all matters relating to the DSU Plan, the CGCN Committee has sole and absolute discretion to administer the DSU Plan.

The CGCN Committee authorizes the amount of DSUs to be granted to each of the participants for each calendar year, and the date that the grant becomes effective. In cases where a participant becomes a Board member after the DSUs for that calendar year have been granted, DSUs may be granted as of the date of the appointment to the Board and in such amount as determined by the CGCN Committee. The CGCN Committee may also from time to

time determine that special circumstances justify the approval of a grant of DSUs in addition to the other compensation to which the participant is entitled.

Participants may also elect to receive all or part of their annual remuneration and meeting attendance fees in the form of DSUs, which election may be subject to a minimum percentage portion of such participant's annual remuneration that is required to be satisfied in the form of DSUs at the discretion of the Board. Notwithstanding such election by a participant, the Board may decline to award DSUs to a participant in respect of such participant's annual remuneration in a particular calendar year.

DSUs are not transferable or assignable.

Subject to an extension for a blackout period, the Corporation will credit DSUs in respect of an election to a participant's DSU account on the date that the remuneration would otherwise be payable. The number of DSUs credited is determined by dividing the amount of the participant's deferred remuneration by the Fair Market Value of the Common Shares on the date the DSUs are credited. For the purposes of the DSU Plan, "Fair Market Value" means with respect to a Common Share, "as at any date", means the volume weighted average of the prices at which the Common Shares traded on the TSX (or if the Common Shares are then listed and posted on a stock exchange other than the TSX, or more than one stock exchange, such stock exchange as may be selected by the Board in its sole discretion) for the five trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value as determined by the Board in its sole discretion, acting reasonably and in good faith.

The number of Common Shares reserved for issuance from time to time pursuant to outstanding DSUs granted and outstanding under the DSU Plan is currently limited to 10% of the issued and outstanding Common Shares (less the number of Common Shares issuable pursuant to all other security based compensation arrangements). If any DSUs granted under the DSU Plan expire, terminate or are cancelled for any reason without the Common Shares issued thereunder having been issued in full, any unissued Common Shares to which such DSUs relate shall be awardable for the purposes of granting of further restricted DSUs.

The aggregate number of DSUs that may be granted to any single holder under the DSU Plan, together with Common Shares reserved for issuance to a participant under any other security based compensation arrangement of the Corporation, shall not exceed 1% of the issued and outstanding Common Shares. In accordance with the rules of the TSX, the number of Common Shares issued to Insiders within one year pursuant to the DSU Plan, and issuable to Insiders at any time, under the DSU Plan or when combined any other security based compensation arrangement of the Corporation, shall not exceed 10% of the issued and outstanding Common Shares. The aggregate Fair Market Value of all DSU grants to any one participant, when combined with grants to such director under any other security based compensation arrangement of the Corporation, shall not, as of the grant date, exceed \$150,000 in any one calendar year.

DSUs receive dividend equivalent rights. Dividends paid on the Common Shares before the maturity date of the DSUs will be credited as DSUs to the participant's account as of the dividend payment date. In 2019, the Corporation did not pay any dividends equivalents on DSUs.

DSUs vest immediately upon being credited to a participant's account.

Following the date on which the participant ceases to hold all positions with the Corporation and its subsidiaries (the "**Termination Date**"), except as a result of death, all DSUs credited to a participant's account will be redeemed as of the maturity date. The maturity date for U.S. taxpayers is the Termination Date.

For directors who are not U.S. taxpayers, the maturity date is December 1<sup>st</sup> of the calendar year immediately following the year of the Termination Date. Directors may file an irrevocable maturity date acceleration election subsequent to the Termination Date. Subject to the exceptions below, the elected maturity date must be no earlier than 180 days after the Termination Date and no later than December 1<sup>st</sup> of the calendar year following the Termination Date. The elected maturity date may be any time between the Termination Date and December 1<sup>st</sup> of the following calendar year, if one of the following exceptions apply: (i) the director resigns pursuant to the "majority voting" or similar policy; (ii) the director fails to be elected as a director at a Shareholder meeting after being included as a nominee in our information circular; or (iii) the director is removed from office by a vote of Shareholders.

Following a participant's Termination Date except as a result of death, the participant will have the right to have the DSUs credited to their account redeemed by the Corporation. All DSUs and dividend entitlements thereon (if any) will be redeemed, at the election of the Corporation, for a cash payment or through the issuance of Common Shares from treasury or purchased on the market and any combination of these. The payment will be equal to the number of DSUs and dividend entitlements thereon (if any) in the participant's account as of the Termination Date, multiplied by the Fair Market Value of the Common Shares determined at the maturity date.

If a participant dies while in office, or after ceasing to hold any position with the Corporation and its subsidiaries but before the Maturity Date, the Corporation must make a lump sum cash payment to the participant's legal representative within 90 days of the participant's death. The cash payment will be equal to the number of DSUs in the participant's account as of the date of the participant's death, multiplied by the Fair Market Value of the Common Shares determined at the date of death.

Participants have no further rights respecting any redeemed DSUs. DSUs are deemed cancelled upon redemption.

The DSU Plan may be amended, modified or terminated by the Board without Shareholder approval, subject to any required approval of the TSX. Notwithstanding the foregoing, the DSU Plan and any DSUs granted under the DSU Plan may not be amended without Shareholder approval to:

- (a) increase the fixed number of Common Shares available to be issued under outstanding DSUs at any time;
- (b) extend the term of any outstanding DSUs;
- (c) permit a holder to transfer or assign DSUs to a new beneficial holder other than in the case of death of the holder;
- (d) increase the number of Common Shares that may be issued to participants above the restriction in the DSU Plan;
- (e) increase the number of Common Shares that may be issued to Insiders above the restriction contained in the DSU Plan;
- (f) change participants eligible to receive DSUs under the DSU Plan to permit the introduction or re-introduction of Non-Employee Directors on a discretionary basis; or
- (g) amend the amendment provision.

In addition, no amendment to the DSU Plan or DSUs granted pursuant to the DSU Plan may be made without the consent of the holder, if it adversely alters or impairs any right previously granted to such holder under the DSU Plan.

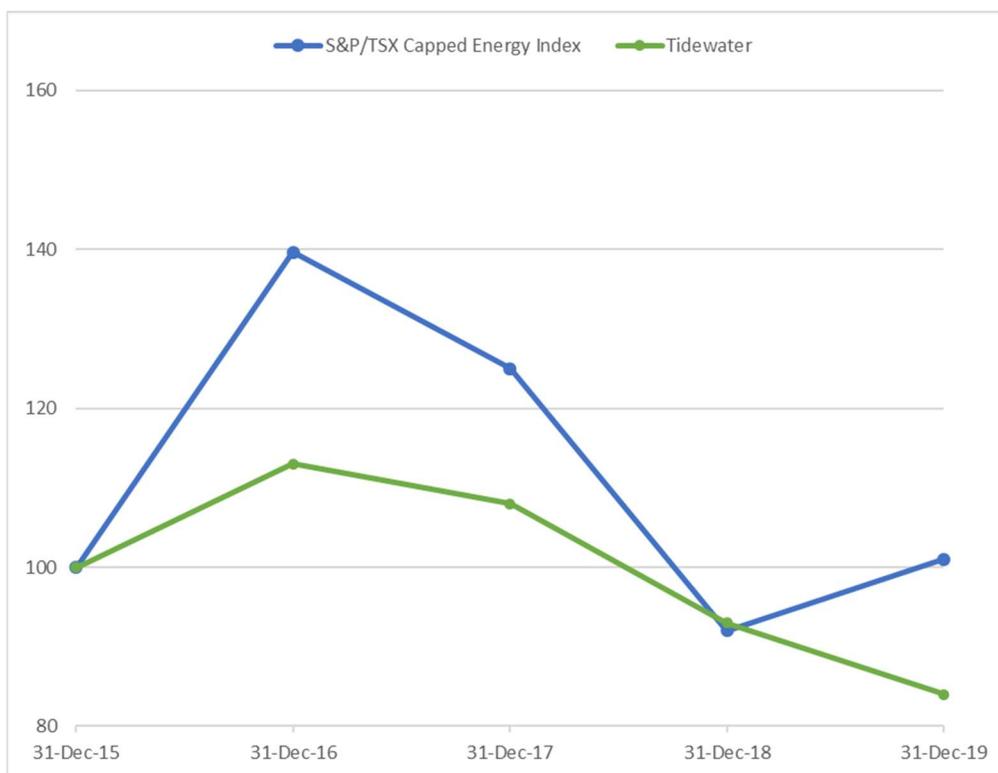
The DSU Plan also contains anti-dilution provisions which allow the Board to make such adjustments to the DSU Plan and to any DSUs as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to participants thereunder.

The Corporation's annual burn rate, as described in Section 613(d) of the TSX Company Manual, under the DSU Plan was 0.02% in fiscal 2018 and 0.04% in fiscal 2019. The burn rate is subject to change from time to time, based on the number of DSUs granted and the total number of Common Shares issued and outstanding.

## **PERFORMANCE GRAPH**

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The following graph compares the change in the cumulative total shareholder return over the periods indicated of a \$100 investment in the Common Shares with the cumulative total return of the S&P/TSX Capped Energy Index, assuming the reinvestment of dividends, where applicable, for the comparable period.



The trend in the performance graph does not directly correlate to the trend of the compensation paid to the Named Executive Officers. As described under “*Statement of Executive Compensation – Compensation Discussion and Analysis*”, base salaries reflect each executive officer’s primary duties and responsibilities and are set at levels based on responsibility, experience and expertise as well as subjective factors such as leadership. The Corporation has concluded that management must be compensated based on competitive market conditions and the value of the services provided, irrespective of Common Share price movements. Options, RSUs and PSUs each form a significant portion of compensation, and therefore total compensation for the Named Executive Officers is affected by increases or decreases in the price of the Common Shares as the value of such Options, RSUs and PSUs changes as the Corporation’s share price changes.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As at May 26, 2020, the maximum number of Common Shares that may be issued under all security based compensation arrangements, being the Option Plan, the RSU Plan and the DSU Plan, was 33,829,048 representing 10% of the number of issued and outstanding Common Shares on that date.

As at May 26, 2020, the Corporation had:

- Options to potentially acquire 15,848,152 Common Shares outstanding before exercise under the Option Plan (representing approximately 4.68% of the outstanding Common Shares);
- RSUs to potentially acquire 10,892,514 Common Shares granted before redemption under the RSU Plan (representing approximately 3.22% of the outstanding Common Shares); and
- DSUs to potentially acquire 284,116 Common Shares outstanding before redemption under the DSU Plan (representing less than one percent of the outstanding Common Shares),

leaving up to 6,804,266 Common Shares available for future grants under all security based compensation arrangements, consisting of the Option Plan, the RSU Plan and the DSU Plan, based on the number of outstanding Common Shares as at that date (representing approximately 2.0% of the outstanding Common Shares).

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's financial year ended December 31, 2019.

Plan Category	Number of Securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)
Equity compensation plans approved by Shareholders	24,979,762	\$1.31	8,757,848
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
<b>Total</b>	<b>24,979,762</b>	<b>\$1.31</b>	<b>8,757,848</b>

**Note:**

- (1) The only compensation plans during the financial year ended December 31, 2019 under which Common Shares may have been issued were the Option Plan, the RSU Plan and the DSU Plan. The Option Plan, the RSU Plan and the DSU Plan reserve for issuance, in the aggregate, a maximum 10% of the Corporation's issued and outstanding Common Shares from time to time. As at December 31, 2019, the maximum number of Common Shares that may be issued under the Option Plan, the RSU Plan and the DSU Plan was 33,737,610 representing 10% of the number of issued and outstanding Common Shares on that date. As at December 31, 2019, (a) the number of Common Shares to be issued upon the exercise of outstanding Options was 15,681,448 and the weighted average exercise price of such Options was \$1.31, (b) the number of Common Shares to be issued upon the exercise of outstanding RSUs was 9,086,018 and the weighted average exercise price of such RSUs was \$Nil, and (c) the number of Common Shares to be issued upon the redemption of outstanding DSUs was 212,296 and the weighted average exercise price of such DSUs was \$Nil, leaving up to 8,757,848 Common Shares available for future grants under the Option Plan, the RSU Plan and the DSU Plan, based on the number of outstanding Common Shares on that date.

## MANAGEMENT CONTRACTS

During the financial year ended December 31, 2019, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during the most recently completed financial year of the Corporation was, a director, executive officer, or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate of any one of them:

- (a) is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; or
- (b) was indebted to another entity, which such indebtedness is, or was at any time during the most recently completed financial year of the Corporation, the subject of a guarantee, support agreement, letter of credit, or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

The Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares, or any associate or affiliate of any of the foregoing, in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

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The Corporation's disclosure with respect to Corporate Governance Practices is set forth in Appendix "A" hereto.

### **GENERAL**

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**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares.

### **ADDITIONAL INFORMATION**

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Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation's most recently completed financial year is provided in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR.

Also see "Audit Committee Information" in the Corporation's annual information form for the year ended December 31, 2019, which is available on SEDAR at [www.sedar.com](http://www.sedar.com), for information relating to the Audit Committee, including its mandate and composition and fees paid to the Corporation's auditors.

A Shareholder may contact the Corporation at Suite 900, 222 3<sup>rd</sup> Avenue S.W., Calgary, Alberta, T2P 0B4, Attention: Chief Financial Officer, to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

### **BOARD APPROVAL**

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The contents and the sending of this Circular have been approved by the Board.

## APPENDIX “A”

### CORPORATE GOVERNANCE DISCLOSURE

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National Instrument 58-101, entitled “Disclosure of Corporate Governance Practices” (“**NI 58-101**”) requires that if management of an issuer solicits proxies from its security holders for the purpose of electing directors that certain prescribed disclosure respecting corporate governance matters be included in its management information circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure which is prescribed by NI 58-101.

The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F1 which is attached to NI 58-101 (“**Form 58-101F1 Disclosure**”).

Set out below is a description of the Corporation’s current corporate governance practices, relative to the Form 58-101F1 Disclosure.

#### 1. Board of Directors

##### (a) Disclose the identity of directors who are independent.

The following current directors of the Corporation and proposed nominees for election as directors of the Corporation at the Meeting are independent (for purposes of NI 58-101):

Stephen J. Holyoake  
Doug Fraser  
Margaret A. (Greta) Raymond  
Robert Colcleugh  
Michael J. Salamon  
Neil McCarron

##### (b) Disclose the identity of directors who are not independent, and describe the basis for that determination.

Joel A. MacLeod is not independent because he is the Chief Executive Officer of the Corporation.

##### (c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgement in carrying out its responsibilities.

A majority of the current directors of the Corporation (four of the five) are independent.

All of the current directors of the Corporation, Joel A. MacLeod, Stephen J. Holyoake, Doug Fraser, Margaret A. (Greta) Raymond and Robert Colcleugh, as well as Michael J. Salamon and Neil McCarron are being nominated for election to the Board at the Meeting. Assuming all of the proposed director nominees are elected at the Meeting, a majority of the directors of the Corporation (six of the seven) will be independent.

Mr. Holyoake is considered to be “independent” within the meaning of NI 58-101; however, Institutional Shareholder Services Inc. (“**ISS**”), a privately-held advisory service and proxy analyst serving institutional shareholders, considers Mr. Holyoake to be an “affiliated outside director” because of certain related party transactions completed by the Corporation during the years ended December 31, 2017 and 2016.

Since the year ended December 31, 2017, there have been no related party transactions, as defined under Multilateral Instrument 61-101, between the Corporation and Mr. Holyoake or between the Corporation and any other director of the Corporation. Mr. Holyoake is not a member on any of the Board’s committees.

- (d) **If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.**

The following current directors of the Corporation and proposed nominees for election as directors of the Corporation at the Meeting are presently directors of other issuers that are reporting issuers (or the equivalent):

Director	Other Reporting Issuers
Steve Holyoake	Highwood Oil Company Ltd. Hoist Capital Corp.

- (e) **Disclose whether or not the independent directors hold regularly scheduled meetings at which non independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.**

The Board takes steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management. One of the responsibilities of the Lead Director, Doug Fraser, is to provide leadership to the independent directors and to ensure that the policies and procedures adopted by the Board allow it to function independently of management. Matters that require decision making and evaluation that is independent of management and non-independent directors may arise at the meetings of the Board and the committees of the Board. Such matters require a portion of the meeting to be conducted without the presence of management and non-independent directors. At every Board meeting in which these matters arise, including special meetings, the Board holds “in-camera” sessions among the independent directors, without management present so that these matters can be addressed. In 2019, there were “in-camera” sessions at all Board meetings, unless waived by the Board.

- (f) **Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.**

The Chairman of the Board is Joel A. MacLeod who is not an independent director. Doug Fraser, an independent director, is the Lead Director. The role of Lead Director is to provide an independent point of view to the Board on its oversight activities. In cooperation with the Chairman, the Lead Director is responsible for ensuring the efficient performance by the Board of its responsibilities, independent of management. The Lead Director’s duties include: (i) working with the Chairman to set the agenda of Board meetings; (ii) chair any in-camera sessions of the independent directors; (iii) chair Board meetings in the absence of the Chairman; and (iv) to promote good governance and ethics in the decision making process of the Board.

- (g) **Disclose the attendance record of each director for all board meetings held since the beginning of the issuer’s most recently completed financial year.**

The attendance record of each of the directors of the Corporation for meetings and committee meetings held during the financial year ended December 31, 2019 was as follows:

Name	Board Meetings Attended / Held	Audit Committee Meetings Attended / Held	Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee Meetings Attended / Held
Joel A. MacLeod	7/7	N/A	N/A
Stephen J. Holyoake	7/7	N/A	N/A
Doug Fraser	7/7	4/4	5/5
Margaret A. (Greta) Raymond	6/7	4/4	5/5
Robert Colcleugh	7/7	4/4	5/5

**2. Board Mandate – Disclose the text of the board’s written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.**

The mandate of the Board is attached as Schedule “A” to this Appendix “A”.

**3. Position Descriptions**

- (a) **Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.**

The Board has developed written position descriptions for the Chairman and for the chair of each of the Audit Committee and the CGCN Committee.

- (b) **Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.**

The Board, with the input of the Chief Executive Officer of the Corporation, has developed a written position description for the Chief Executive Officer.

**4. Orientation and Continuing Education**

- (a) **Briefly describe what measures the board takes to orient new directors regarding (i) the role of the board, its committees and its directors, and (ii) the nature and operation of the issuer’s business.**

While the Corporation does not currently have a formal orientation and education program for new recruits to the Board, the Corporation has historically provided such orientation and education on an informal basis. As new directors have joined the Board, management has provided these individuals with corporate policies, historical information about the Corporation, as well as information on the Corporation’s performance and its strategic plan with an outline of the general duties and responsibilities entailed in carrying out their duties. The Board believes that these procedures have proved to be a practical and effective approach in light of the Corporation’s particular circumstances, including the size of the Corporation, limited turnover of the directors and the experience and expertise of the members of the Board.

- (b) **Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.**

No formal continuing education program currently exists for the directors of the Corporation. The Corporation encourages directors to attend, enrol or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters and has agreed to pay the cost of such courses and seminars. Each director of the Corporation has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

In May, 2019, each director attended site visits to various Tidewater facilities including the Ram River Plant, Brazeau River Complex, Acheson Plant and Pipestone Plant. Additionally, in December, 2019, the directors of the Corporation held an off-site retreat which included a strategy session. Each director participated in this retreat and strategy session.

## 5. Ethical Business Conduct

- (a) **Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:**

The Corporation has adopted a Code of Business Conduct for directors, officers and employees (the “Code”).

- (i) **disclose how a person or company may obtain a copy of the code;**

Each director, officer and employee of the Corporation has been provided with a copy of the Code and a copy of the Code may be obtained from Joel Vorra, Chief Financial Officer of the Corporation, at (587) 475-0210.

- (ii) **describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and**

Compliance with the Code is mandatory and each employee and consultant of the Corporation has a responsibility to report violations of the Code. Violations can result in disciplinary action, including dismissal. The Board is responsible for establishing procedures for monitoring compliance with the Code and does so through a combination of periodic reports from management as well as through the Corporation’s Whistleblower Policy. No aspect of the Code can be waived unless it is approved by the Board and properly disclosed, as required by applicable laws.

- (iii) **provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.**

There have been no material change reports filed since the beginning of the Corporation’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

- (b) **Describe any steps the board takes to ensure directors exercise independent judgement in considering transactions and agreements in respect of which a director or executive officer has a material interest.**

In an effort to avoid any actual or potential conflicts of interest, and in furtherance of maintaining good governance of the Board, the Board adopted the following procedures (the “**Conflict of**

**Interest Procedures**”) for the treatment of actual conflicts or potential conflicts of interest that may arise between the directors and the Corporation:

- (i) In accordance with the ABCA, a director has an obligation to disclose in writing or request to have entered into the minutes of a meeting of the Board, the nature and extent of such director’s (a) interest as a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation, or (b) interest as a director or officer of, or material interest in, any person who is a party to a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation.
- (ii) In addition to a director’s obligations under the ABCA, a director shall disclose to the Lead Director of the Board any actual conflict or potential conflict of interest as soon as he or she becomes aware of such conflict or potential conflict of interest. If the Lead Director of the Board concurs that there is an actual or potential conflict of interest, the Board may take such actions and implement such protocols as are necessary to manage such conflict having regard to the circumstances and consistent with good governance practices, while balancing the rights and duties of directors.

The Conflict of Interest Procedures are in addition to, and do not in any way derogate from, applicable law, including the ABCA, and any other policies, charters and mandates as may be in place from time to time and applicable to the Board. The Board may amend, terminate or waive the Conflict of Interest Procedures at any time.

- (c) **Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.**

In addition to the Code and the Conflict of Interest Procedures, the Board has also adopted a Whistleblower Policy wherein employees and consultants of the Corporation are provided with the mechanisms by which they may raise concerns with respect to falsification of financial records, unethical conduct, harassment and theft in a confidential, anonymous process. The Board receives a regular update on any Whistleblower complaints made pursuant to the Whistleblower Policy and the efforts made to resolve these complaints.

## 6. **Nomination of Directors**

- (a) **Describe the process by which the board identifies new candidates for board nomination.**

The responsibility for proposing nominees for the Board falls within the mandate of the CGCN Committee. New candidates for nomination to the Board will be identified and selected having regard to the strengths and constitution of the Board and the needs of the Board. The CGCN Committee also develops and determines the appropriate size of the Board from time to time and determines its composition, identifies the competencies and skills required by the Board to discharge its oversight responsibilities, organizes the process for recruiting potential candidates and provides orientation to such members. See also items 10, 11 and 12 below.

- (b) **Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.**

The CGCN Committee is comprised of three independent directors.

- (c) **If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.**

The CGCN Committee will ensure that any recommendation for new candidates for nomination to the Board comply with the following requirements: (i) the highest personal and professional ethics,

integrity and values; (ii) commitment to representing the long-term interest of the Shareholders; (iii) broad experience at the policy making level in business, government, education, technology or public interest; and (iv) sufficient time to effectively fulfill duties as a Board member.

The CGCN Committee will also endeavor to recommend qualified individuals to the Board who, if added to the Board, would provide the mix of director characteristics and diverse experiences, perspectives and skills appropriate for Tidewater. In addition, the Board will have a sufficient number of directors who meet the criteria for independence required by applicable laws, rules and regulations and the guidelines established by the Board. See also items 10 (skills matrix), 11 and 12 below.

## 7. Compensation

**(a) Describe the process by which the board determines the compensation for the issuer's directors and officers.**

See "*Statement of Executive Compensation – Compensation Discussion and Analysis*" in respect of the officers of the Corporation and "*Director Compensation*" in respect of the directors of the Corporation.

**(b) Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.**

The CGCN Committee is comprised of three independent directors.

**(c) If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.**

In respect of compensation matters, the CGCN Committee has the responsibility to review and provide recommendations to the Board on the following matters:

- (i) compensation policies and guidelines for supervisory and management personnel of the Corporation and its related entities;
- (ii) corporate benefits, bonuses and other incentives, including stock options;
- (iii) reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives and determining the CEO's compensation level based on this evaluation;
- (iv) non-CEO officer and director compensation, incentive compensation plans and equity based plans;
- (v) the review of executive compensation disclosure before the Corporation publicly discloses such information;
- (vi) succession plans for the officers and for key employees of the Corporation; and
- (vii) any material changes or trends in human resources policy, procedure, compensation and benefits.

In respect of corporate governance matters, the CGCN Committee has the responsibility to review and provide recommendations to the Board on the following matters:

- (i) preparing the Corporation's response to applicable securities laws or stock exchange rules when required, and explaining as required any differences between the Corporation's

governance system and policies and the recommended governance standards by securities regulators;

- (ii) developing and monitoring the Corporation's general approach to corporate governance issues as they may arise;
- (iii) proposing changes as necessary from time to time to respond to particular governance recommendations or guidelines from regulatory authorities and ensuring that all appropriate or necessary governance systems remain in place and are periodically reviewed for effectiveness;
- (iv) ensuring that all members of the Board have been informed of and are aware of their duties and responsibilities as a director of the Corporation;
- (v) ensuring that the Corporation has in effect adequate policies and procedures to allow the Corporation to meet all of its continuous disclosure requirements;
- (vi) ensuring that the Corporation has in effect adequate policies and procedures to identify and manage the principal risks of the Corporation's business;
- (vii) developing and monitoring the Corporation's policies relating to trading in securities of the Corporation by insiders as well as communication and confidentiality;
- (viii) annually reviewing areas of potential personal liability of directors and ensuring reasonable protective measures are in place;
- (ix) causing the Board to annually review its definition of an "independent" director;
- (x) overseeing and ensuring there are in place written corporate governance guidelines and mandate for the Board in which it explicitly acknowledges responsibility for the stewardship of the Corporation and considers (i) measures for receiving feedback from stakeholders and (ii) expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;
- (xi) overseeing and ensuring there are in place clear position descriptions for the Chairman of the Board and the Chair of each Board committee, and together with the CEO, developing a clear position description for the CEO, which includes delineating management's responsibilities and developing the corporate goals and objectives that the CEO is responsible for meeting;
- (xii) assessment of the Board, its committees and each individual director in respect of effectiveness and contribution;
- (xiii) overseeing and ensuring there is in place a comprehensive orientation and continuing education program for all directors;
- (xiv) ensuring there is in place a written code of business conduct and ethics that is applicable to all directors, officers and employees of the Corporation;
- (xv) overseeing and monitoring the Corporation's policies related to the prospective recruitment and recommendation of new member to fill Board vacancies as required; and
- (xvi) periodically considering the need for special policies of the Corporation, initiated by the Board, in unique or emerging policy areas.

In respect of health, safety and environment matters, the CGCN Committee has the responsibility for the following matters:

- (i) monitor on a regular basis the existing health, safety and environmental practices and procedures of the Corporation and its controlled subsidiaries for compliance with applicable legislation, conformity with industry standards, implementation of best practices and prevention or mitigation of losses;
- (ii) consider whether the Corporation's policies and practices relating to health, safety and environmental matters are being effectively implemented;
- (iii) review and consider reports and recommendations issued by the Corporation or by an external party relating to health, safety or environmental issues, together with management's response thereto;
- (iv) advise and make recommendations to the Board as appropriate on matters relating to health, safety and the environment;
- (v) review and report, as appropriate, to the Board on the Corporation's policies and procedures relating to health, safety and the environment and, if appropriate, make recommendations to the Board;
- (vi) ensure the internal auditor has access to the Chair of the Committee, the Board and the Chief Executive Officer; and
- (vii) meet separately with the person most responsible for Health, Safety and Environment and report to the Board on such meetings.

Pursuant to the mandate of the CGCN Committee, it is to be comprised of at least three directors of the Corporation and all of such members shall be independent. The Board is from time to time to designate one of the members of the CGCN Committee to be the Chair of the CGCN Committee. The Chairman of the CGCN Committee is Margaret A. (Greta) Raymond.

The CGCN Committee meets at least two times per year and at such other times as the Chairman of the CGCN Committee determines.

**8. Other Board Committees – If the board has standing committees other than the audit, compensation and nominating committees identify the committees and describe their function.**

Other than the Audit and CGCN Committees, the Corporation has no other committees.

**9. Assessments – Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively.**

The Corporation has a formal process in place for assessing the Board, its committees and individual Board members. As part of such process, each Board member is required to complete, on an annual basis, a detailed questionnaire related to the performance of the Board, its committees and the members thereof.

**10. Director Term Limits and Other Mechanisms of Board Renewal.**

The Board does not believe that fixed term limits or mandatory retirement ages are in the best interest of the Corporation. Therefore, it has not specifically adopted term limits or other mechanisms for Board renewal.

However, when considering nominees for the Board, the Board reviews the skills and experience of the current directors with the objective of recommending a group of directors that can best perpetuate the Corporation's success and represent shareholder interests through the exercise of sound judgment and the application of its diversity of experience. The Board also considers both the term of service and age of

individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Corporation.

In addition, the Board use a skills matrix to assess Board composition and ensure it has an appropriate mix of skills and competencies to govern effectively and be a strategic resource for Tidewater. The following skills matrix outlines the experience and background of the individual director nominees based on information provided by such individuals.

Name	Leadership / Strategy	Governance and Social Responsibility	Environment, Health & Safety	Financial, Accounting, Audit & Capital Markets	Operations	HR / Compensation	Mergers and Acquisitions
Joel A. MacLeod	✓	✓	✓	✓	✓	✓	✓
Stephen J. Holyoake	✓	✓	✓	✓	✓	✓	✓
Doug Fraser	✓	✓		✓		✓	✓
Margaret A. (Greta) Raymond	✓	✓	✓	✓		✓	
Robert Colcleugh	✓	✓	✓	✓	✓	✓	✓
Michael J. Salamon	✓	✓	✓	✓		✓	✓
Neil McCarron	✓	✓	✓	✓			✓

Definitions of skills and competencies:

- *Leadership/Strategy* – experience as a senior executive of a public company or other major organization; experience driving strategic direction and leading growth.
- *Governance and Social Responsibility* – experience with, or understanding of, leading governance practices within a public company or other major organization; experience leading a culture of accountability, transparency and social responsibility.
- *Environment, Health and Safety* – experience in managing environment, health and safety matters.
- *Financial, Accounting and Capital Markets* – experience with, or understanding of, corporate finance and financial accounting and reporting, as well as familiarity with financial/accounting controls and reporting standards.
- *Operations* – experience in oil and gas midstream or downstream operations.
- *HR/Compensation* – experience with, or understanding of, compensation risk, executive compensation programs, talent management/retention and succession planning.
- *Mergers and Acquisitions* – experience and knowledge regarding leading a significant merger or acquisition.

## 11. Policies Regarding the Representation of Women on the Board.

The Corporation does not have a written policy relating solely to the identification and nomination of female directors. However, the Board has adopted a written diversity policy (the “**Diversity Policy**”) that recognizes and embraces the benefits of having a diverse Board with a mix of skills, regional and industry experience,

background, race, gender and other distinctions, which the Board believes is more appropriate than a separate written policy focused on gender diversity. All appointments to the Board are made on merit, in the context of the skills and experience the Board, as a whole, requires to be effective. The CGCN Committee oversees the conduct of the annual review of Board effectiveness and monitors compliance with the Diversity Policy.

**12. Consideration of the Representation of Women in the Director Identification and Selection Process.**

Pursuant to the Diversity Policy, diversity (including the representation of women on the Board and the executive officer positions) is a factor considered in determining the optimum composition of the Board. In identifying suitable candidates for appointment to the Board, the CGCN Committee considers candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. Moreover, as to gender, the Board is receptive to increasing the representation of women on the Board as turnover occurs, taking into account the skills, background, experience and knowledge desired at that particular time by the Board. As part of the annual performance evaluation of the effectiveness of the Board, committees of the Board and individual directors, the CGCN Committee considers the balance of skills, experience, independence and knowledge of the Corporation on the Board and the diversity of the Board.

**13. Consideration Given to the Representation of Women in Executive Officer Appointments.**

The Board encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering new potential candidates for executive officer positions.

**14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions.**

The Corporation has not imposed quotas or targets regarding the representation of women on the Board and in executive officer positions. However, the Board does understand and appreciate the importance of gender equality and diversification and is committed to strengthening diversity when recruiting for a Board appointment or executive officer position.

**15. Number of Women on the Board and in Executive Officer Positions.**

Assuming all of the proposed director nominees are elected at the Meeting, one of the directors of Tidewater, Margaret A. (Greta) Raymond, will be a woman, representing 14.3% of the Board. Presently, there are no women serving in executive officer positions.

## SCHEDULE "A"

### BOARD MANDATE

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#### TIDEWATER MIDSTREAM AND INFRASTRUCTURE LTD.

(the "Company")

The Board of Directors (the "Board") of the Corporation is responsible under law to supervise the management of the business and affairs of the Corporation. The Board has the statutory authority and obligation to protect and enhance the assets of the Corporation.

The principal mandate of the Board is to oversee the management of the business and affairs of the Corporation, and monitor the performance of management.

In keeping with generally accepted corporate governance practices and the recommendations contained in National Policy 58-201 adopted by the Canadian Securities Administrators, and the requirements of any stock exchange on which the Corporation's securities are listed, the Board assumes responsibility for the stewardship of the Corporation and, as part of the overall stewardship responsibility, explicitly assumes responsibility for the following:

#### 1. Independence

The Board retains the responsibility for managing its own affairs, including planning its composition, selecting its Chairman and/or Lead Director, appointing Board committees and determining directors' compensation. While it is appropriate to confer with the management on the selection of candidates to be nominated as members of the Board, the ultimate selection shall be determined by the existing independent members of the Board.

In that the Board must develop and voice objective judgment on corporate affairs, independently of the management, practices promoting Board independence will be pursued. This includes constituting the Board with a majority of independent and unrelated directors. Certain tasks suited to independent judgments will be delegated to specialized committees of the Board that are comprised exclusively of outside directors and at least a majority of unrelated directors.

The Board will evaluate its own performance in a continuing effort to improve. For this purpose, the Board will establish criteria for Board and Board member performance, and pursue a self-evaluation process for evaluating both overall Board performance and contributions of individual directors.

#### 2. Leadership in Corporate Strategy

The Board ultimately has the responsibility to oversee the development and approval of the mission of the Corporation, its goals and objectives, and the strategy by which these objectives will be reached. In guiding the strategic choices of the Corporation, the Board must understand the inherent prospects and risks of such strategic choices.

While the leadership for the strategic planning process comes from the management of the Corporation, the Board shall bring objectivity and a breadth of judgment to the strategic planning process and will ultimately approve the strategy developed by management as it evolves.

The Board is responsible for monitoring management's success in implementing the strategy and monitoring the Corporation's progress to achieving its goals; revising and altering direction in light of changing circumstances.

The Board has the responsibility to ensure congruence between the strategic plan and management's performance.

The Board must hold minimum of four meetings of the Board per year.

### **3. Management of Risk**

The Board shall understand the principal risks of all aspects of the business in which the Corporation is engaged, recognizing that business decisions require the incurrence of risk. The Board is responsible for providing a balance between risks incurred and the potential returns to shareholders of the Corporation. This requires that the Board ensure that systems are in place to effectively monitor and manage risks with a view to the long-term viability of the Corporation and its assets, and conduct an annual review of the associated risks.

### **4. Approach to Corporate Governance**

The Corporation is committed to effective practices in corporate governance. The Corporation consistently assesses and adopts corporate governance measures. The Corporate Governance and Compensation Committee shall be responsible for disclosing the Corporation's approach to corporate governance in public disclosure documents.

### **5. Oversight of Management**

As the Board functions, the Board must ensure the execution of plans and operations are of the highest caliber. The key to the effective discharge of this responsibility is the approval of the appointment of the senior officers of the Corporation and the assessment of each senior officer's contribution to the achievement of the Corporation's strategy. In this respect, performance against objectives established by the Board is important, as is a formal process for determining the senior officers' compensation, in part, by using established criteria and objectives for measuring performance.

### **6. Succession Planning**

On a regular basis, the Board shall review a succession plan, developed by management, addressing the policies and principles for selecting a successor to the Chief Executive Officer ("CEO") and other key senior management positions, both in an emergency situation and in the ordinary course of business. The succession plan should include an assessment of the experience, performance, skills, training and planned career paths for possible successors to the CEO currently in the Corporation's senior management.

### **7. Expectations of Board Members**

#### *(a) Commitment and Attendance*

All members of the Board should make every effort to attend all meetings of the Board and meetings of committees of which they are members, if any. Although attendance in person is encouraged, members may attend by telephone to mitigate schedule conflicts.

#### *(b) Participation in Meetings*

Each member of the Board should be sufficiently familiar with the business of the Corporation, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves.

#### *(c) Financial Knowledge*

One of the most important roles of the Board is to monitor financial performance. Each member of the Board must know how to read financial statements, and should understand the use of financial ratios and other indices for evaluating financial performance.

#### *(d) Other Directorships*

The Corporation values the experiences Board members bring from other boards on which they serve, but recognizes that those boards may also present demands on a member's time and availability, and may also present conflicts of interest or other legal issues. Members of the Board should advise the Chair of the

Corporate Governance, Compensation, Nomination and Health, Safety and Environment Committee before accepting any new membership on other boards of directors or any other significant commitment involving an affiliation with other related businesses or governmental units.

(e) *Contact with Management*

All members of the Board are invited to contact the CEO at any time to discuss any aspect of the Corporation's business. While respecting organizational relationships and lines of communication, members of the Board have complete access to other members of management. There shall be afforded frequent opportunities for members of the Board to meet with the CEO, CFO and other members of management in Board and committee meetings and in other formal or informal settings.

(f) *Confidentiality*

The proceedings and deliberations of the Board and its committees are confidential. Each member of the Board shall maintain the confidentiality of information received in connection with his or her services.

(g) *Preparation for Meetings*

All members of the Board should make every effort to review all meeting materials prior to meetings of the Board and meetings of committees of which they are members.

## **8. Shareholder Communications and Disclosure**

The Board is responsible to ensure that the Corporation has policies in place to ensure effective and timely communication and disclosure to the shareholders of the Corporation, other stakeholders and the public in general. The communication and disclosure policies must effectively and fairly present the operations of the Corporation to shareholders and should accommodate feedback from shareholders, which should be considered into future business decisions.

The Board has the responsibility for ensuring that the financial performance of the Corporation is reported to shareholders on a timely and regular basis and for ensuring that such financing results are reported fairly, in accordance with generally accepted accounting principles.

The Board has the responsibility for ensuring that procedures are in place to effect the timely reporting of any developments that have a significant and material impact on the value of shareholder assets.

The Board has the responsibility for reporting annually to shareholders on its stewardship for the preceding year.

## **9. Integrity of Corporate Control and Management Information Systems**

To effectively discharge its duties, the Board shall ensure that the Corporation has in place effective control and information systems so that it can track those criteria needed to monitor the implementation of the Corporation's strategy.

Similarly, in reviewing and approving financial information, the Board shall ensure that the Corporation has an audit system, which can inform the Board of the integrity of the data and compliance of the financial information with generally accepted accounting principles.

The Board's management of the important areas of corporate conduct, such as the commitment of the Corporation's assets to different businesses or material acquisitions, shall also be supported by effective control and information systems.

## **10. Legal Requirements**

The Board is responsible for ensuring that routine legal requirements, documents, and records have been properly prepared, approved and maintained by the Corporation.

## **11. Board Delegation to Committees**

The Board may delegate specific responsibilities to committees of the Board in order to effectively manage the affairs of the Corporation.

## **12. Limitation**

The foregoing is (i) subject to and without limitation of the requirement that in exercising their powers and discharging their duties, the members of the Board act honestly and in good faith with a view to the best interests of the Corporation; and (ii) subject to, and not in expansion of the requirement, that in exercising their powers and discharging their duties the members of the Board exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

## **13. Assessments**

The members of the Board will collectively assess the performance of the Board as a whole, the committees of the Board and all directors with reference to their respective mandates, charters or terms of reference. Individual directors will be assessed with reference to any applicable position descriptions, as well as the competencies and skills that each director is expected to bring to the Board.

Such assessment will occur annually with an emphasis on the overall effectiveness and contributions made by the Board as a whole, the committees of the Board and all directors individually.