



HIGHWOOD
ASSET MANAGEMENT LTD.

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON MAY 22, 2025

**NOTICE OF MEETING AND
MANAGEMENT PROXY AND INFORMATION CIRCULAR**

TO BE HELD AT:

**Livingston Place Conference Centre
222 – 3rd Avenue SW,
Calgary, Alberta T2P 0B4**

at 10:00 a.m. (Calgary Time)

Dated: April 11, 2025

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF HIGHWOOD ASSET MANAGEMENT LTD. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF HIGHWOOD ASSET MANAGEMENT LTD. TO BE HELD ON MAY 22, 2025

HIGHWOOD ASSET MANAGEMENT LTD.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 22, 2025**

NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING (the “**Meeting**”) of holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Highwood Asset Management Ltd. (the “**Company**” or “**Highwood**”) will be held at the Livingston Place Conference Centre, 222 – 3rd Avenue SW, Calgary, Alberta T2P 0B4, at 10:00 a.m. (Calgary Time), on Thursday, May 22, 2025, for the following purposes:

1. to receive and consider the audited financial statements of the Company for the financial year ended December 31, 2024 and the report of the auditor thereon;
2. to fix the number of directors of the Company to be elected at the Meeting at six;
3. to elect directors for the ensuing year as described in the management information circular (the “**Circular**”) accompanying this notice of meeting (“**Notice**”);
4. to appoint RSM Canada LLP as the auditors of the Company for the ensuing year at a remuneration to be fixed by the board of directors of the Company;
5. to consider and, if thought fit, to pass an ordinary resolution to re-approve the Company’s rolling omnibus incentive plan, as more fully set forth in the Circular accompanying this Notice, and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The board of directors of the Company has fixed the record date for the Meeting at the close of business on April 11, 2025 (the “**Record Date**”). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares owned as at the Record Date, unless any such Shareholder transfers such Shareholder’s Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not later than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

An “ordinary resolution” is a resolution passed by at least a majority of the votes cast by Shareholders in respect of that resolution 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:

Conference call:

- Participation — North America Toll-Free: 1-888-510-2154 and Local (Toronto): 437-900-0527
- Replay — North America Toll-Free: 1-888-660-6345 and Local (Toronto): 1-289-819-1450
with Access Code: 00996#

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.

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

DATED April 11, 2025

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Greg Macdonald”

Greg Macdonald
Chief Executive Officer, President and Director

IMPORTANT

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in accordance with the options indicated. A proxy will not be valid unless it is deposited with our transfer agent Odyssey Trust Company, (i) by email to proxy@odysseytrust.com (please send front and back of proxy); (ii) by online submission at <https://vote.odysseytrust.com> (iii) by fax at (800) 517-4553 or (iv) by mail to Odyssey Trust Company, Trader's Bank Building 702, 67 Yonge Street, Toronto, ON, M5E 1J8. All instructions are listed in the enclosed form of proxy. In order to be valid and acted upon at the Meeting, proxies must be returned to the aforesaid address not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment or postponement thereof. Shareholders are cautioned that the transmission of proxies by mail is at each Shareholder's risk.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The Circular includes certain statements and information that constitute “forward-looking statements”, and “forward-looking information” under applicable securities laws (“forward-looking statements” and “forward-looking information” are collectively referred to herein as “**forward-looking statements**”, unless otherwise stated). Forward-looking statements appear in a number of places in the Circular and include statements and information regarding the intent, beliefs or current expectations of the Company’s officers and directors. Such forward-looking statements involve known and unknown risks and uncertainties that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in the Circular, words such as “believe”, “anticipate”, “estimate”, “project”, “intend”, “expect”, “may”, “will”, “plan”, “should”, “would”, “contemplate”, “possible”, “attempts”, “seeks” and similar expressions, are intended to identify these forward-looking statements. Forward-looking statements may relate to the Company’s future outlook and anticipated events or results and may include statements regarding the Company’s future business strategy, plans and objectives. The Company has based these forward-looking statements largely on its current expectations and projections about future events. These forward-looking statements were derived utilizing numerous assumptions, and while the Company considers these assumptions to be reasonable, based on information currently available, such assumptions may prove to be incorrect. Accordingly, you are cautioned to not put undue reliance on these forward-looking statements. Forward-looking statements should not be read as a guarantee of future events or results.

Forward-looking statements speak only as of the date such statements are made. Except as required by applicable law, the Company assumes no obligation to update or to publicly announce the results of any change to any forward-looking statement contained herein to reflect actual results, future events or developments, changes in assumptions or changes in other factors affecting the forward-looking statements. If the Company updates any one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements. You should not place undue importance on forward-looking statements and should not rely upon these statements as of any other date. All forward-looking statements contained in the Circular are expressly qualified in their entirety by this cautionary statement.

HIGHWOOD ASSET MANAGEMENT LTD.

MANAGEMENT INFORMATION CIRCULAR

THIS MANAGEMENT INFORMATION CIRCULAR (“CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF HIGHWOOD ASSET MANAGEMENT LTD. (the “**Company**”) of proxies from the holders (“**Shareholders**”) of common shares (“**Common Shares**”) for the meeting of the Shareholders of the Company (the “**Meeting**”) to be held on Thursday, May 22, 2025 at 10:00 a.m. (Calgary time) at the Livingston Place Conference Centre, 222 – 3rd Avenue SW, Calgary, Alberta T2P 0B4, or at any adjournment thereof for the purposes set out in the notice of meeting (“**Notice of Meeting**”) accompanying this Circular.

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 Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to Beneficial Shareholders (as defined below) held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Company.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the board of directors of the Company (the “Board”) and have indicated their willingness to represent as proxy the Shareholder who appoints them. A Shareholder has the right to designate a person (whom need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Company. 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 shares are to be voted. The nominee should bring personal identification with him 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 shares.

A proxy will not be valid unless it is deposited with our transfer agent Odyssey Trust Company (i) by email to proxy@odysseytrust.com (please send front and back of proxy); (ii) by online submission at <https://vote.odysseytrust.com> (iii) by fax at (800) 517-4553 or (iv) by mail to Odyssey Trust Company Trader’s Bank Building 702, 67 Yonge Street, Toronto, ON, M5E 1J8. All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 10:00 a.m. (Calgary Time) on May 20, 2025 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A Shareholder who has given a proxy may revoke it as to any matter upon 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 authorized attorney in writing, or, if the Shareholder is a Company, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Company or with Odyssey Trust Company via email at proxy@odysseytrust.com, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment 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 thereof. In addition, a proxy may be revoked by the Shareholder personally attending the Meeting and voting their shares.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold 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 who appear on the records maintained by the Company’s registrar and transfer agent as 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. 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 shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee 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) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing 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. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

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 broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder 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 form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

The Company will be delivering proxy-related materials to non-objecting beneficial owners of the Common Shares directly with the assistance of Broadridge. The Company intends to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of the Common Shares.

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

VOTING OF PROXIES

Each Shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. 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 Instrument of 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 Instrument of Proxy, 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 Instrument 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. As of the date hereof, the Company 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, the Management Designees intend to vote in accordance with the judgment of management of the Company.

RECEIVING DOCUMENTS

In February 2013, the Canadian Securities Administrators implemented regulatory amendments to securities laws, including National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 — *Continuous Disclosure Obligations* (“**NI 51-102**”), governing the delivery of proxy-related materials by public companies. As a result, public companies are now permitted to deliver proxy-related materials to their shareholders using the “notice-and-access” mechanism (as defined under NI 54-101, and sometimes referred to herein as the “**notice-and-access provisions**”) by posting such materials both on SEDAR+ and a non-SEDAR+ website, rather than delivering the materials by mail. The use of the notice-and-access reduces paper waste and mailing costs to the Company. In order for the Company to employ notice-and-access, the Company must send a notice to Shareholders indicating that the proxy-related materials have been posted electronically and explaining how a Shareholder can access them or obtain from the Company a paper copy of those materials. As such, Shareholders will receive a notice (the “**N&A Notice**”) containing information prescribed by the notice-and-access provisions.

The Company is sending this Information Circular to Non-Registered (beneficial) Shareholders using notice-and-access as permitted by NI 54-101 and NI 51-102. The Meeting materials, including this Information Circular, are available on SEDAR+ at www.sedarplus.ca under the Company’s profile and on <https://odysseytrust.com/client/highwood-asset-management-ltd/> and will remain on the website for at least one full year from the date that the Meeting materials are posted on SEDAR+.

The Company will not use procedures known as “stratification” in relation to its use of the notice-and-access provisions in relation to the Meeting. Stratification occurs when a reporting issuer using notice-and-access provides a paper copy of the relevant information circular to some, but not all, shareholders with the notice package in relation to the relevant meeting. In relation to the Meeting, Registered Shareholders will receive a paper copy of each of the Notice of the Meeting, the N&A Notice and a form of proxy, whereas Non-Registered Shareholders will receive a paper copy of the Notice of the Meeting, the N&A Notice and a voting instruction form (VIF).

For more information regarding notice-and-access or to obtain a paper copy of this Information Circular you may contact the Company’s transfer agent, Odyssey Trust Company, via <https://odysseytrust.com/ca-en/help/>

or by phone at 1-888-290-1175 (toll-free within North America) or 1-587-885-0960 (direct from outside North America).

The Company will, upon request, mail a paper copy of this Information Circular at no cost within three business days following receipt of such request. Requests for paper copies must be received by May 12, 2025 in order to receive the paper copy in advance of the Meeting. The Company will, upon request, mail a paper copy of this Information Circular at no cost within ten calendar days following receipt of such request, if received after the Meeting.

QUORUM

The by-laws of the Company provide that a quorum of Shareholders is present at a meeting of Shareholders of the Company if at least two persons are present in person or by proxy, each of whom is entitled to vote at the meeting, and who holds or represents by proxy not less than 5% of the shares entitled to vote at the meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the effective date of this Circular (the “**Effective Date**”), which is April 11, 2025, the Company has 15,154,279 Common Shares issued and outstanding. There are no other shares of any class issued and outstanding. The Common Shares are the only shares 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 April 11, 2025 (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 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 ten days before the day of the Meeting that his or her name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the Board and the executive officers of the Company, as at the Effective Date, 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 Company, other than as follows:

Name	Number of Common Shares Owned or Controlled⁽¹⁾	Percentage of Common Shares⁽²⁾
1080766 Alberta Ltd. ⁽³⁾	4,879,193	32.2%
HR Exploration & Energy GmbH ⁽⁴⁾	2,610,407	17.23%
Libra Advisors, LLC	1,617,934	10.68%

Notes:

- (1) Based on information disclosed in the public filings of the applicable party.
- (2) Based on a total of 15,154,279 Common Shares issued and outstanding as at the Effective Date.
- (3) Joel MacLeod has beneficial ownership and control of 1080766 Alberta Ltd. Mr. MacLeod has been the Executive Chairman and a director of Highwood since February 21, 2023.
- (4) See “*Corporate Governance — Board of Directors*”.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company's executive compensation objectives and processes and decisions relating to its Named Executive Officers (as defined below) are administered by the Corporate Governance & Compensation Committee.

Role and Composition of the Corporate Governance & Compensation Committee

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

The Corporate Governance & Compensation Committee is currently composed of Stephen J. Holyoake (Chair), David Gardner and Raymond Kwan, all of whom are independent within the meaning of Canadian securities legislation.

The skills and experience possessed by the members of the Corporate Governance & Compensation Committee acquired as a result of their experience as described under "*Particulars of Matters to be Acted Upon — Item 3. Election of Directors*" assist and enable them to make decisions on the suitability of the Company's compensation policies and practice.

The responsibilities of the Corporate Governance & Compensation 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. The Corporate Governance & Compensation Committee has unrestricted access to the Company'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.

Compensation Risk Assessment

The Corporate Governance & Compensation Committee and the Board have considered the implications of the risks associated with the Company'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: incentive components of compensation are awarded on a discretionary basis; the compensation package for Named Executive Officers is reviewed and assessed annually by the Corporate Governance & Compensation Committee and the Board; the compensation program consists of fixed (base salary) and variable (annual cash bonuses and long-term options to purchase Common Shares ("**Options**"), restricted share units ("**RSUs**") and performance share units ("**PSUs**") 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 Corporate Governance & Compensation Committee and the Board will continue to monitor compensation risk assessment practices on an ongoing basis to ensure that the Company's compensation program is appropriately structured.

Anti-Hedging & Restrictions on Purchase of Financial Instruments

The Company's Insider Trading and Reporting Policy prohibits directors, officers, employees, and consultants of the Company, as well as anyone else who qualifies as an insider under applicable securities laws, from engaging in transactions that could reduce or limit their economic risk with respect to their holdings of securities of the Company, including Common Shares, Options, PSUs, RSUs and deferred share units ("DSUs"). Prohibited transactions include hedging strategies, equity monetization transactions, transactions using short sales, puts, calls, exchange contracts, derivatives and other types of financial instruments (including, but not limited to, prepaid variable forward contracts, equity swaps, collars, and exchange funds), and limited recourse loans to the directors or executives secured by Common Shares.

Named Executive Officers

The Chief Executive Officer, Chief Financial Officer and the three most highly compensated executive officers of the Company, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation exceeds \$150,000 per annum for the financial year ended December 31, 2024, are the "Named Executive Officers" or "NEOs".

For the financial year ended December 31, 2024, the NEOs of the Company were Greg Macdonald (as Chief Executive Officer), Chris Allchorne (as Chief Financial Officer), Joel A. MacLeod, Kelly McDonald, Ryan Petkau and Josh McDonald.

Compensation Philosophy and Review Process

The Company's compensation program supports its commitment to deliver strong performance for its Shareholders. The compensation policies are designed to attract, motivate and retain highly qualified and engaged employees. In addition, the compensation program is intended to create an alignment of interests between the Company'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. Compensation decisions are based on these principles:

- **Shareholder value:** Shareholder return is a key focus and a major driver of compensation is increasing shareholder value.
- **Performance focused:** Highwood fosters a performance-based pay program where pay is driven by demonstrable competency and execution of objectives. The majority of executive compensation consists of performance-based, at-risk elements.
- **Aligned with Shareholder interests:** Compensation builds equity ownership and encourages decisions that generate sustainable value for the Shareholders.
- **Competitive:** To attract and retain the talent needed to achieve our strategic objectives, our program references industry peer information, for both compensation benchmarking and performance measurement purposes.
- **Balanced:** Compensation balances short-term and long-term performance and includes a combination of fixed and variable pay components. The Company's program incorporates a variety of metrics to guide performance over various time horizons.

The Corporate Governance & Compensation Committee and the Board review and approve the Company's compensation philosophy and framework. The Chief Executive Officer of the Company makes recommendations to the Corporate Governance & Compensation Committee on base salaries, long-term incentive grants to employees, including executive officers of the Company, other than the Chief Executive Officer. Upon the receipt of the recommendations, the Corporate Governance & Compensation Committee reviews the recommendations and may request the compensation data compiled by the Company and determines

whether to accept the recommendations or make any changes. The Corporate Governance & Compensation 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 Corporate Governance & Compensation Committee is customary during this process. In the case of the grant of Options, RSUs and PSUs, the Corporate Governance & Compensation 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 Corporate Governance & Compensation Committee. Bonus awards for executive officers are discretionary and certain performance measures will be used by the Company in consideration of short-term incentive awards. Establishment and payment of bonuses is subject to approval of the Board.

Executive Compensation Peer Group

During the year, the Board updated the Compensation Peer Group (as defined below) to ensure continued alignment with the growth of the Company. This peer group is used to assess the competitiveness of base salary, bonuses, benefits and share-based awards paid to each of the executive officers of the Company.

The Compensation Peer Group was determined based on companies' market capitalization and asset mix, including exploration and production assets, midstream infrastructure and with operations in the Western Canadian Sedimentary Basin. The Company believes the Compensation Peer Group list is comprised of companies that had characteristics in common with the Company 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 Company's compensation.

The “**Compensation Peer Group**” in 2024 consisted of the following twelve companies:

<i>Bonterra Energy Corp.</i>	<i>Journey Energy Inc.</i>	<i>Saturn Oil & Gas Inc.</i>
<i>Gear Energy Ltd.</i>	<i>Lycos Energy Inc.</i>	<i>ROK Resources Inc.</i>
<i>InPlay Oil Corp.</i>	<i>Surge Energy Inc.</i>	<i>Yangarra Resources Ltd.</i>
<i>Rubellite Energy Corp.</i>	<i>Hemisphere Energy Corporation</i>	<i>Logan Energy Corp.</i>

The Compensation Peer Group will continue to be revised as necessary.

Pay-for-Performance

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 75% at risk during the financial year ended December 31, 2024 — and the other executive officers' compensation being 50–75% at risk during the financial year ended December 31, 2024.

Elements of Compensation

The Company's executive compensation program includes base salary, annual cash bonuses and long-term share-based incentives comprised of Options, RSU and PSU awards. A significant portion of executive compensation is provided in variable performance-based compensation.

	Component	Form	Objective	Performance Period
Fixed Compensation	<i>Salary</i>	Bi-weekly cash	Compensate based on job requirements, market factors, experience and execution of responsibilities	Salaries are reviewed annually each April
	<i>Short-Term Incentive Plan</i>	Annual cash bonus Paid in Spring	Reward performance and achievements that are aligned with Highwood's strategic plan	One year
Variable Compensation		Restricted Share Units (includes dividend equivalents) Granted in Spring and Fall	Provide a low-risk form of equity-based compensation that rewards continued employment and encourages retention	Three years Vest 1/3 each of 3 years
	<i>Long-Term Incentive Plan</i>	Performance Share Units (includes dividend equivalents) Granted in Spring and Fall	Reward the achievement of corporate performance factors that support the delivery of value to Shareholders	Three years Vest 100% in 3 years
		Options Granted in Spring and Fall	Align compensation with long-term corporate performance and Shareholder interests	Five years Vest 1/3 each of 3 years

Each component of the executive compensation program has a separate objective, and together they offer a balanced approach. Base salary provides secure fixed compensation necessary to attract and retain executive talent. The mixture of annual incentives and long-term incentives is intended to promote successful execution of the business strategy over different timeframes. The annual cash bonus plan motivates and recognizes the achievement of pre-determined yearly corporate financial, operational and safety goals. The long-term incentive plan encourages Shareholder value creation over a longer horizon. The design or value of one element of the compensation program would not be altered without considering the impact on: each of the other elements, total compensation, and the proportion of fixed and at-risk pay.

Base Salary

The objective of base salary compensation is to reward and retain Named Executive Officers. In setting base salaries, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Company. Subjective factors such as leadership, commitment and attitude are also considered. Base salaries are intended to be market-competitive in order to attract and retain talent. This is the only element of the Company's executive compensation plan that is not considered to be at-risk. Salaries are reviewed each year for market competitiveness, with any adjustments typically effective in April.

Annual 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 the Company. Increases in the value of the Company will result in increases in the amounts paid to the Named Executive Officers. The annual cash bonus (also referred to as the short-term incentive plan) encourages and rewards the achievement of defined annual performance outcomes. Short-term incentive targets and maximum payouts are

in-line with those of executives in the Compensation Peer Group. Currently, NEO annual cash bonuses are primarily determined by the Company's performance with maximum percentage amounts inline with the percentages paid by the Company's peer group.

Long-term Incentive Plans

Long-term incentives comprise a significant portion of pay for Named Executive Officers. This weighting aligns with the Shareholder experience by deferring compensation over time and rewarding the pursuit of long-term strategic objectives that contribute to sustained enhancement of Shareholder value.

All long-term incentive compensation is in the form of (a) Options; (b) RSUs; (c) DSUs; or (d) PSUs.

On May 30, 2024, the Company's rolling omnibus incentive plan ("**Omnibus Incentive Plan**") was approved by Shareholders. The Omnibus Incentive Plan amended, restated and combined the Company's existing stock option plan, restricted share unit plan and deferred share unit plan and the existing Options, RSUs and DSUs granted under such plans were continued under and are subject to the terms of the Omnibus Incentive Plan.

PSUs are granted under the Company's performance share unit plan ("**PSU Plan**").

Such forms of compensation encourage a proprietary interest in the Company which further aligns management with interests of Shareholders. Long-term incentive grants are typically awarded once per year.

As used in this Circular, "**Share Based Compensation**" has the meaning ascribed to "security based compensation" in Policy 4.4 — *Security Based Compensation* of the TSX Venture Exchange ("**TSX-V**"), as amended from time to time. Options, RSUs and DSUs meet the definition of Share Based Compensation because they involve the issuance or potential issuance of Common Shares from treasury. PSUs do not meet the definition of Share Based Compensation because they do not involve the issuance or potential issuance of Common Shares from treasury and are settled solely in cash and/or Common Shares purchased on the secondary market. See "*— Performance Share Unit Plan*", below.

The Board believes this established policy of granting Share Based Compensation (Options, RSUs and DSUs) meets the Company's business objectives provided the total number of Share Based Compensation outstanding at any time is limited to a maximum of 10% of the Company's issued and outstanding Common Shares, provided, further, that the total number of Share Based Compensation attributable to RSUs outstanding at any time is limited to a maximum of 5% of the Company's issued and outstanding Common Shares. In no event shall the number of outstanding Share Based Compensation (Options, RSUs and DSUs on a combined basis) exceed 10% of the issued and outstanding Common Shares.

Omnibus Incentive Plan

Particulars of the Omnibus Incentive Plan

The Company adopted the Omnibus Incentive Plan to remain competitive in the energy industry, and the granting of reasonable levels of Share Based Compensation awards is used as part of the Company's overall compensation package. These Share Based Compensation provide an incentive for all of the Company's service providers to help ensure they are striving to maximize Shareholder value.

A summary of certain provisions of the Omnibus Incentive Plan is set out below. The summary is qualified in its entirety by the full text of the Omnibus Incentive Plan, which is attached as Schedule "B" to the Company's management information circular dated April 25, 2024 and available on SEDAR+ at www.sedarplus.ca under the Company's profile and incorporated by reference herein.

Eligibility

Any individual employed by the Company, including a Service Provider (as defined in the Omnibus Incentive Plan), who, by the nature of his or her position or job is, in the opinion of the Board, in a position to contribute to the success of the Company is eligible to receive grants (collectively, “**Grants**”) of Options and RSUs, and non-executive directors are eligible to receive DSUs.

Common Shares Subject to the Omnibus Incentive Plan

The aggregate number of Common Shares that may be issued pursuant to Grants made under the Omnibus Incentive Plan together with all other Share Based Compensation arrangements of the Company, shall be a number equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time, provided that the aggregate number of Common Shares that may be issued pursuant to Grants of RSUs made under the Omnibus Incentive Plan shall be a number equal to 5% of the aggregate number of issued and outstanding Common Shares from time to time.

For purposes of computing the total number of Common Shares available for grant under the Omnibus Incentive Plan or any other Share Based Compensation arrangement of the Company, Common Shares subject to any Grant (or any portion thereof) that is forfeited, surrendered, cancelled or otherwise terminated, prior to the issuance of such Common Shares shall again be available for grant under the Omnibus Incentive Plan.

Grants under the Omnibus Incentive Plan

Options issued under the Omnibus Incentive Plan, unless otherwise specified in the underlying grant agreement, shall vest in a manner which the Board determines and may be exercised during a period determined by the Board, which may not exceed ten years. The exercise price for each Common Share subject to an option will be fixed by the Board but under no circumstances may any exercise price be less than the Market Price (as defined in the Omnibus Incentive Plan).

As of December 31, 2024, Highwood had 414,656 Options outstanding. As at the date hereof, Highwood had 695,067 Options outstanding.

Under the Omnibus Incentive Plan, Participants (as defined in the Omnibus Incentive Plan) may be allocated share units in the form of RSUs, which represent the right to receive an equivalent number of Common Shares, the Market Price, or a combination of both, all as determined by the Board in its sole discretion, subject to applicable withholdings, on the vesting date. The issuance of such Common Shares may be subject to vesting requirements similar to those described above with respect to the exercisability of options, including such time or performance-based conditions as may be determined from time to time by the Board in its discretion. Unless otherwise specified in the underlying grant agreement, RSUs will vest according to a schedule; however, no RSUs may vest before the date that is one year following the grant date of such RSUs.

As of December 31, 2024, Highwood had 215,513 RSUs outstanding. As at the date hereof, Highwood had 356,318 RSUs outstanding.

Under the Omnibus Incentive Plan, non-executive directors may elect to receive a percentage of their annual remuneration in DSUs. Additionally, the Board may award such number of DSUs to a non-executive director as the Board deems advisable to provide the non-executive director with appropriate equity-based compensation for the services he or she renders to the Company. The Board shall determine the date on which such DSUs may be granted along with any terms or conditions with respect to the vesting of such DSUs, provided that no DSU (other than a DSU issued in lieu of annual remuneration) may vest before the date that is one year following the grant date of such DSU. A non-executive director, who redeems DSUs hereunder shall be entitled to receive one Common Share for each DSU then being settled, a cash payment in an amount equal to the Market Price of the

DSU that are being redeemed as of the Entitlement Date (as defined in the Omnibus Incentive Plan) applicable to such DSU, or a combination of Common Shares and cash, all as determined by the Board in its sole discretion.

As of December 31, 2024, Highwood had 50,000 DSUs outstanding. As at the date hereof, Highwood had 70,000 DSUs outstanding.

Limitations on Grants under the Omnibus Incentive Plan

The aggregate number of Common Shares that are issuable pursuant to Grants to Insiders (as defined in the Omnibus Incentive Plan) as a group pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement at any point in time must not exceed 10% of the total number of issued and outstanding Common Shares (unless the Company has obtained the requisite Disinterested Shareholder Approval (as defined in the Omnibus Incentive Plan)).

The aggregate number of Common Shares that are issuable pursuant to all Grants to Insiders as a group pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement of the Company in a twelve (12) month period must not exceed 10% of the total number of issued and outstanding Common Shares calculated on the date of Grant to any Insider (unless the Company has obtained the requisite Disinterested Shareholder Approval).

For so long as the Common Shares are listed and posted for trading on the TSX-V, the aggregate number of Common Shares that are issuable pursuant to all Grants to any one Person (as defined in the Omnibus Incentive Plan) (and companies wholly owned by that Person) pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement of the Company in a twelve (12) month period must not exceed 5% of the issued and outstanding Common Shares, calculated on the date of Grant to the Person (unless the Company has obtained the requisite Disinterested Shareholder Approval).

For so long as the Common Shares are listed and posted for trading on the TSX-V, the aggregate number of Common Shares that are issuable pursuant to all Grants to any one Consultant (as defined in the Omnibus Incentive Plan) in a twelve (12) month period pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement of the Company must not exceed 2% of the issued and outstanding Common Shares, calculated at the date of Grant to the Consultant.

For so long as the Common Shares are listed and posted for trading on the TSX-V (i) Investor Relations Service Providers (as defined in the Omnibus Incentive Plan) may not receive any Grants other than Options and (ii) the aggregate number of Options granted to all Investor Relations Service Providers pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement of the Company must not exceed 2% of the issued and outstanding Common Shares in any twelve (12) month period, calculated at the date an Option is granted to any such Investor Relations Service Provider.

The maximum number of Common Shares which may be reserved for issuance to non-executive directors as a group pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement of the Company at any point in time must not exceed 1% of the total number of issued and outstanding Common Shares.

The aggregate fair market value of all Common Shares that are issuable pursuant to all Grants to any one non-executive director pursuant to the Omnibus Incentive Plan and any other Share Based Compensation arrangement of the Company, shall not, as of the grant date: (A) exceed \$150,000 in any one calendar year (not including Grants issued or taken in lieu of cash fees); and (B) exceed \$100,000 regarding Grants of Options in any one calendar year.

Termination of Grants

Subject to the terms of the applicable Grant agreement, in the case of a Participant's termination of employment due to death, or in the case of the Participant's Disability (as defined in the Omnibus Incentive Plan) (i) those of the Participant's outstanding options and RSUs that were granted prior to the year that includes the Participant's date of death or Disability, as the case may be, that have not become vested prior to such date of death or Disability shall continue to vest and, upon vesting (which in the case of a RSU remains subject to the achievement of any applicable performance conditions and the adjustment of the number of RSUs that vest to reflect the extent to which such performance conditions were achieved), be exercisable (in the case of options) during the 12-month period following such date of death or Disability, as the case may be, as if the Participant had remained employed throughout such period and (ii) those of the Participant's outstanding options that have become vested prior to the Participant's date of death or Disability shall continue to be exercisable during the 12-month period following such date of death or Disability, as the case may be. A prorated number of options and RSUs granted to a Participant in the year that includes the Participant's date of death or Disability shall remain eligible to vest following such date of death or Disability (the "**Special Prorated Grants**"). The Special Prorated Grants shall continue to vest and, upon vesting (which in the case of an RSU remains subject to the achievement of any applicable performance conditions and the adjustment of the number of RSUs that vest to reflect the extent to which such performance conditions were achieved), be exercisable (in the case of options) during the 12-month period following the Participant's date of death or Disability, as the case may be, as if the Participant had remained employed throughout such period. The balance of the options and RSUs granted to a Participant in the year that includes the Participant's date of death or Disability that are not Special Prorated Grants shall be forfeited and cancelled as of the Participant's date of death or Disability, as the case may be.

Subject to the terms of the applicable Grant agreement: (a) in the case of a Participant's termination without cause, the Participant's outstanding options that have become vested prior to the Participant's termination shall continue to be exercisable during the 90-day period following the Participant's date of termination, and (b) in the case of a Participant's resignation, the Participant's outstanding options that have become vested prior to the date on which the Participant provides notice to the Company of his or her resignation shall continue to be exercisable during the 90-day period following the Participant's date of resignation.

Subject to the terms of the applicable Grant agreement, in the case of a Participant's termination without cause, prior to the end of a vesting period relating to a Grant, any RSUs that have not vested prior to the date of such termination shall be immediately forfeited and cancelled, including dividend equivalent RSUs in respect of such RSUs, and all RSUs that have vested as of the date of such termination shall be settled as soon as reasonably practicable in accordance with the Plan.

In the case of a Participant's termination for cause, any and all then outstanding options, whether or not vested, and RSUs, whether vested or unvested, granted to the Participant shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such termination is given, except only as may be required to satisfy the express minimum requirements of applicable employment standards legislation.

A non-executive Director will not be able to redeem DSU's that have not vested prior to the date such Director ceases to be a director of the Company or an affiliate and all such DSU's that have not vested will be forfeited immediately.

Capital Changes, Corporate Transactions and Change of Control

The Omnibus Incentive Plan contains provisions for the equitable treatment of Grants in relation to any capital changes and with regard to a dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to holders of Common Shares or any other relevant changes to the authorized or issued capital of the Company.

In the event of a Change in Control (for the purposes of this section, as defined in the Omnibus Incentive Plan) prior to the vesting of a Grant, and subject to the terms of a Participant's employment agreement and the applicable Grant agreement, the Board shall have full authority to determine in its sole discretion the effect, if any, of a Change in Control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant.

Amendment and Termination of the Omnibus Incentive Plan

The Board may from time to time, without notice and without approval of the Shareholder, amend, modify, change, suspend or terminate the Omnibus Incentive Plan or any Grant pursuant to the Omnibus Incentive Plan as it, in its discretion determines appropriate, provided, however, that no such amendment, modification, change, suspension or termination of the Omnibus Incentive Plan or any Grant hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Omnibus Incentive Plan without the consent of the Participant, unless the Board determines such adjustment is required or desirable in order to comply with any Applicable Laws or Stock Exchange Rules (each as defined therein). If the Omnibus Incentive Plan is amended, modified, changed, suspended or terminated, the provisions of the Omnibus Incentive Plan and any administrative guidelines, rules and regulations relating to the Omnibus Incentive Plan shall continue in effect for the duration of such time as any Grants remains outstanding.

Notwithstanding the foregoing and subject to any Stock Exchange Rules, approval of the Shareholders shall be required for any amendment, modification or change to the Omnibus Incentive Plan that:

increases the maximum percentage of the Company's issued and outstanding Common Shares from time to time that can be reserved for issuance under the Omnibus Incentive Plan, including any increase in the maximum percentage of the Company's issued and outstanding Common Shares from time to time that can be reserved for issuance pursuant to Grants of RSUs;

- (i) increases or removes any of the limits on the participation of any one Eligible Person (as defined in the Omnibus Incentive Plan) or any category of Eligible Persons;
- (ii) reduces the Exercise Price (as defined therein) of any Common Share subject to an option (for this purpose, a cancellation or termination of an option prior to its Expiry Date for the purpose of reissuing an Option to the same Participant with a lower Exercise Price shall be treated as an amendment to reduce the Exercise Price of an Option) except pursuant to the provisions in the Omnibus Incentive Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (iii) extends the term of an option beyond the original expiry date (except where an expiry date would have fallen within a Blackout Period (as defined in the Omnibus Incentive Plan) applicable to the Participant);
- (iv) extends the term of an Option beyond its maximum term (except where an expiry date would have fallen within a Blackout Period applicable to the Participant);
- (v) permits a Participant to transfer or assign Grants to a new beneficial owner other than for estate settlement purposes;
- (vi) changes the Eligible Participants;
- (vii) is a matter expressly subject to approval of the holders of Common Shares pursuant to applicable Stock Exchange Rules; or
- (viii) deletes or reduces the range of amendments which require approval of Shareholders under the Omnibus Incentive Plan.

Subject to the foregoing and subject to the approval of the Stock Exchange where applicable, the Board may, without Shareholder approval, at any time or from time to time, amend the Omnibus Incentive Plan for the purposes of:

- (i) making any amendments to the general vesting provisions of each Grant;
- (ii) making any amendments to the provisions relating to the termination, disability or death of a Participant, provided that, for so long as the Common Shares are listed and posted for trading on the TSX-V, Shareholder approval shall be required for such amendments;
- (iii) making any amendments to add covenants of the Company for the protection of Participants, as the case may be, provided that the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (iv) making any amendments not inconsistent with the Omnibus Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the Participants, it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or
- (v) making such changes or corrections which, on the advice of counsel to the Company, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

Performance Share Unit Plan

The Board approved the implementation of the PSU Plan on February 27, 2023. As of December 31, 2024, Highwood had PSUs valued at \$2,414,574 outstanding. As at the date hereof, Highwood had PSUs valued at \$3,394,574 outstanding. PSUs do not meet the definition of Share Based Compensation because they do not involve the issuance or potential issuance of Common Shares from treasury and are settled solely in cash and/or Common Shares purchased on the secondary market.

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 medium-term performance over the three-year vesting period, alignment to long-term Shareholder interests through the purchase of Common Shares on the open market, and enables retention of employees and officers without the dilutive aspects of issuing Common Shares from treasury or granting of other Share Based Compensation awards. Dividends are paid and reinvested on outstanding, unvested, PSUs. Awards cliff vest after three years. The Common Shares purchased under the PSU Plan are restricted shares, as they can only be paid out in kind at vesting.

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.

2024 Performance Assessment

The year 2024 was a year of solid execution for Highwood. Among other highlights, the Company Completed a successful drilling campaign leading to year over year growth of approximately 50%. The table below is a

summary of the key performance measures that assist the Corporate Governance & Compensation Committee in determining how Highwood’s executives are paid.

- **Shareholder Return** — weighting 50% — Shareholder return was measured on both absolute total return and total return relative to other companies in the Company’s peer group.
- **Financial and Operational Performance** — weighting 35% — This is based on Highwood’s results in 2024 and is based on several metrics, including annual average production, proved development producing recycle ratios, capital efficiency, finding and developing costs, operating and transportation expense on a per boe basis and general and administrative expense on a per boe basis. Also factored into this category are milestone achievements of Highwood during the period being evaluated.
- **Environmental, Social and Governance (“ESG”) Objectives** — weighting 7.5% — This is based on meeting the ESG objectives established by Highwood, including exceeding minimum required abandonment and reclamation expenditures, fostering key Indigenous peoples relations, minimizing fresh water usage and reduction of scope 1 and scope 2 emissions.
- **Health and Safety (“HSE”) Performance** — weighting 7.5% — This is based on Highwood’s results in 2024 relating to targets set for total incident frequency and meeting required initiatives relating to Health and Safety across Highwood.

Performance Category	Highlights of Results Achieved in 2024
Shareholder Return	<ul style="list-style-type: none"> • Common Share Price Performance — Highwood’s shareholder return was in line with its peers
Financial and Operational Performance	<ul style="list-style-type: none"> • Corporate Production and Capital Program — <ul style="list-style-type: none"> • Executed a successful 2024 capital expenditure program of \$65+ million • Over the 12-month period ending December 31, 2024, Highwood grew production per share by over 50% (from prior forecasted growth of 25%) • 2024 average production of approximately 5,780 boe/d, representing an increase of ~86% since the closing of the transformative acquisitions in 2023 and • 2024 exit production of approximately 5,850 boe/d, representing an increase from 2023 exit production of approximately 45% • Significant intrinsic value recognized in Year-End 2024 Reserves ⁽¹⁾ — Realized before-tax net present value, after debt, of booked reserves: <ul style="list-style-type: none"> ○ PDP BTNPV10 of \$262 million representing NAV \$10.86/share and \$10.07/share fully diluted — Associated RLI of 9.1 years and delivered a recycle ratio of 2.2 ○ 1P BTNPV10 of \$515 million representing NAV \$27.51/share and \$23.42/ share fully diluted — Associated RLI of 14.1 years and recycle ratio of 2.2 ○ 2P BTNPV10 of \$819 million representing NAV \$47.61/share and \$39.54/share fully diluted — Associated RLI of 21.0 years and recycle ratio of 2.9 • Credit Facilities <ul style="list-style-type: none"> ○ Borrowing Base Increase — increased borrowing base under senior secured extendible revolving credit facilities from \$100 million to \$120 million ○ Additional Lenders — added Canadian Imperial Bank of Commerce and Macquarie Bank Limited as new lenders, joining Royal Bank of Canada and ATB Financial • Early Repayment of Promissory Note — early repayment of the 13% Promissory Note issued in conjunction with the acquisition of Boulder Energy Ltd. in August 2023
ESG Objectives	<ul style="list-style-type: none"> • In 2024, Highwood substantially achieved all of its objectives with respect to ESG matters
HSE Performance	<ul style="list-style-type: none"> • In 2024, Highwood substantially achieved all of its objectives with respect to HSE matters

Note:

- (1) The reserves data set forth in the table above is based upon an evaluation by GLJ Ltd., the Company's independent qualified oil and gas reserves evaluator, and contained in the report prepared by GLJ Ltd. dated March 7, 2025, evaluating the light and medium crude oil, heavy oil, conventional natural gas, shale gas, and natural gas liquids reserves attributable to Highwood's properties at December 31, 2024. The preparation date of the report was March 7, 2025. It should not be assumed that the estimates of future net revenues presented in the table above represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained, and variances could be material. The recovery and reserves estimates are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual reserves may be greater than or less than the estimates provided herein. Reserves are estimated remaining quantities of crude oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical, and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates being "proved reserves", "probable reserves" and "possible reserves". "Proved reserves" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. "Probable reserves" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. Reserves life index ("RLI") is calculated by dividing the reserves by the average annual production for that period. Management uses this measure to determine the relative change of its reserves base over a period of time. PDP RLI is calculated by dividing the proved developed producing reserves by the average annual production for that period. 2P RLI is calculated by dividing the proved plus probable reserves by the average annual production for that period. Highwood calculates recycle ratio by dividing the netback per boe by finding and development ("F&D") or finding and development and acquisition ("FD&A") costs. Netback per boe is a non-GAAP ratio that uses netback, a non-GAAP financial measure, as a component. Capital expenditures, a non-GAAP financial measure, is used as a component of F&D costs. Capital expenditures and adjusted net capital acquisitions, both non-GAAP financial measures, are used as components of FD&A costs. Management uses recycle ratio to relate the cost of adding reserves to the expected cash flows to be generated.

The Corporate Governance & Compensation Committee determined that overall Highwood met its corporate objectives established for fiscal 2024. In particular, the Corporate Governance & Compensation Committee noted the impact of the successful 2024 drilling program, performance of the assets and positive changes to the credit facilities. In light of the foregoing, the Corporate Governance & Compensation Committee considered 2024 performance to be slightly above average.

Summary Compensation Table

The following table sets forth all annual and long term compensation for the three most recently completed financial years for services in all capacities to the Company and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated individuals whose total compensation exceeded \$150,000 per annum (the "**Named Executive Officers**").

Name and Principal Position	Year Ended Dec 31	Salary (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation(\$)	Total Compensation(\$)
					Annual Incentive Plans (\$) ⁽³⁾	Long-Term Incentive Plans			
Joel MacLeod ⁽⁴⁾ Executive Chairman	2024	Nil	665,000	188,500	240,000	Nil	Nil	Nil	1,093,500
	2023	Nil	310,000	34,300	Nil	Nil	Nil	Nil	344,300
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Greg Macdonald President and Chief Executive Officer	2024	234,566	487,593	188,500	240,000	Nil	Nil	Nil	1,150,658
	2023	208,462	148,000	27,440	120,000	Nil	Nil	Nil	503,902
	2022	195,000	80,000	50,880	56,000	Nil	Nil	Nil	381,880
Kelly McDonald Vice President, Exploration	2024	228,938	412,795	123,750	225,000	Nil	Nil	Nil	990,483
	2023	206,369	145,000	25,725	120,000	Nil	Nil	Nil	497,094
	2022	195,000	80,000	50,880	56,000	Nil	Nil	Nil	381,880
Chris Allchorne Chief Financial Officer	2024	195,438	187,758	51,000	108,000	Nil	Nil	Nil	542,195
	2023	178,877	57,000	15,435	90,000	Nil	Nil	Nil	341,312
	2022	170,500	65,000	41,340	40,000	Nil	Nil	Nil	316,840
Ryan Petkau Vice President, Operations ⁽⁵⁾	2024	192,438	250,933	63,000	180,000	Nil	Nil	Nil	686,370
	2023	95,333	125,200	14,406	102,000	Nil	Nil	Nil	336,939
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Josh McDonald Geological Manager ⁽⁶⁾	2024	209,688	257,801	131,950	125,000	Nil	Nil	Nil	724,438
	2023	81,606	92,256	52,736	22,500	Nil	Nil	Nil	249,098
	2022	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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.
- (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. The Company follows the fair value method of accounting for all stock-based compensation arrangements. The values reported represent an estimate of the grant date fair value of the Options calculated in accordance with the Black-Scholes option pricing model. Please see the audited annual financial statements of the Company for the year ended December 31, 2024, 2023 and 2022 for details regarding the assumptions underlying these Black-Scholes estimates. The Black-Scholes model is a pricing model that may or may not reflect the actual value of the Options. The Black-Scholes methodology was selected in order to maintain consistency with the Company’s prior practice and because it is widely used by Canadian public companies for estimated option-based compensation.
- (3) Represents cash bonuses paid to Named Executive Officers for the respective year and/or accrued in the respective year and paid subsequent to December 31st.
- (4) Joel MacLeod was named Executive Chairman and a director of the Company on February 21, 2023. The amounts disclosed for 2023 are for the period of February 21, 2023 to December 31, 2023.
- (5) Ryan Petkau was named Vice President of Operations on August 28, 2023. The amounts disclosed for 2023 are for the period from August 28, 2023 to December 31, 2023.
- (6) Josh McDonald was named Geological Manager on August 7, 2023. The amounts disclosed for 2023 are for the period from August 7, 2023 to December 31, 2023.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Named Executive Officer of Highwood as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option (\$) ⁽¹⁾	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$) ⁽²⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) ⁽²⁾
Joel MacLeod Executive Chairman	10,000	6.00	Aug 27, 2028	100	126,669	757,673	23,367
	50,000	6.00	Apr 14, 2029	500			
Greg Macdonald President and Chief Executive Officer	10,000	16.50	Aug 27, 2025	Nil	100,801	602,330	69,440
	8,000	11.00	May 30, 2027	Nil			
	8,000	6.00	Aug 27, 2028	80			
	50,000	6.00	Apr 14, 2029	500			
Kelly McDonald Vice President, Exploration	9,000	16.50	Aug 27, 2025	Nil	87,826	524,980	68,272
	8,000	11.00	May 30, 2027	Nil			
	7,500	6.00	Aug 27, 2028	75			
	40,000	6.00	Apr 14, 2029	400			
Chris Allchorne Chief Financial Officer	6,000	16.50	Aug 27, 2025	Nil	36,400	217,742	66,772
	6,500	11.00	May 30, 2027	Nil			
	4,500	6.00	Aug 27, 2028	45			
	12,500	6.00	Apr 14, 2029	125			
Ryan Petkau Vice President, Operations	7,000	16.50	Aug 27, 2025	Nil	58,490	349,770	10,647
	2,500	11.00	May 30, 2027	Nil			
	4,200	6.00	Aug 27, 2028	42			
	25,000	6.00	Apr 14, 2029	250			
Josh McDonald Geological Manager	15,375	6.00	Aug 27, 2028	154	40,136	238,190	20,527
	35,000	6.00	Apr 14, 2029	350			

Notes:

- (1) Calculated based on the difference between the closing price of \$6.01 per Common Share on the TSX-V on December 31, 2024, 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) Calculated based on the difference between the closing price of \$6.01 per Common Share on the TSX-V on December 31, 2024, the last day the Common shares were traded before the year end, and the exercise price of the share-based award, multiplied by the number of Common Shares available for the purchase under the share-based award.

None of the awards have been transferred at other than fair market value.

Incentive Plan Awards — Value Vested or Earned During the Year

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each Named Executive Officer.

Name and Title	Option-Based Awards — Value vested during the year (\$)	Share-Based Awards — Value vested during the year (\$)	Non-Equity Incentive Plan Compensation — Value earned during the year (\$)
Joel MacLeod Executive Chairman	51	6,678	Nil
Greg Macdonald President and Chief Executive Officer	27	21,369	Nil
Kelly McDonald Vice President, Exploration	25	21,035	Nil
Chris Allchorne Chief Financial Officer	15	16,027	Nil
Ryan Petkau Vice President, Operations	14	7,813	Nil
Josh McDonald Geological Manager	Nil	5,134	Nil

Pension Plan Benefits

The Company 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.

Termination and Change of Control Benefits

The Company has no employment contracts with any Named Executive Officer except as set out below, as at December 31, 2024.

For the purposes of employment contracts with Named Executive Officers, “**change of control**” means: (i) the acquisition (for consideration, deemed or otherwise) of: (a) Common Shares; and/or (b) securities convertible into, exercisable for or carrying the right to purchase Common Shares (“**Convertible Securities**”), as a result of which a person, group of persons or persons acting jointly or in concert, or persons associated or affiliated within the meaning of the *Business Corporations Act* (Alberta) with any such person, group of persons or any of such persons (collectively “**Acquirors**”), other than a person who is listed on the share registry of the Company as a holder of Common Shares, beneficially own Shares or Convertible Securities such that, assuming only the conversion or exercise of Convertible Securities beneficially owned by the Acquirors, the Acquirors would beneficially own Common Shares which would entitle them to cast more than 50% of the votes attaching to all Common Shares; (ii) approval by the Shareholders of an amalgamation, arrangement, merger or other consolidation of the Company with another corporation pursuant to which the Shareholders immediately prior thereto do not immediately thereafter own shares of the successor continuing corporation which entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation which may be cast to elect directors of that corporation; (iii) a liquidation, dissolution or winding-up of the Company; (iv) a sale, lease or other disposition of all or substantially all of the assets of the Company; or any other circumstance in which the composition of the Board is altered such that the majority of the Board is not constituted by the members of the Board as at the date of the applicable employment agreement.

Joel A. MacLeod, Executive Chairman

Pursuant to an employment agreement (the “**MacLeod Agreement**”) effective February 21, 2023, Mr. MacLeod currently receives a salary of \$Nil per year for his services in his capacity as Executive Chairman. The MacLeod

Agreement provides that Mr. MacLeod is eligible to receive an annual bonus each year, at the discretion of the Board.

The Company may terminate the MacLeod Agreement at any time without cause upon payment, within 15 days of such termination, of an amount equal to (i) one year of the then-current salary, plus (ii) the average of any annual bonus received over the previous two years. Payment of such amount is subject to the Company's receipt of an acceptable release executed by Mr. MacLeod in favour of the Company. Had the MacLeod Agreement been terminated by the Company on December 31, 2024, based on the foregoing termination provision, Mr. MacLeod would have been entitled to be paid \$240,000.

If the Company (or Mr. MacLeod in the event of constructive dismissal) terminates the MacLeod Agreement within six months following a change of control, Mr. MacLeod will also be entitled to the immediate vesting of any unvested Options, RSUs and PSUs granted prior to the change of control. Had the MacLeod Agreement been terminated by the Company (or Mr. MacLeod in the event of constructive dismissal) on December 31, 2024, based on the foregoing termination provision, Mr. MacLeod would have been entitled to receive approximately \$1,021,000 (being a \$240,000 payment and \$781,000 in value attributable to vested Options, RSUs and PSUs).

Greg Macdonald, President and Chief Executive Officer

Pursuant to an employment agreement (the "**Macdonald Agreement**") effective January 21, 2019, Mr. Macdonald currently receives a salary of \$253,000 per year for his services in his capacity as President and Chief Executive Officer. The Macdonald Agreement provides that Mr. Macdonald is eligible to receive an annual bonus each year, at the discretion of the Board.

The Company may terminate the Macdonald Agreement at any time without cause upon payment, within 15 days of such termination, of an amount equal to (i) one year of the then-current salary, plus (ii) the average of any annual bonus received over the previous two years. Payment of such amount is subject to the Company's receipt of an acceptable release executed by Mr. Macdonald in favour of the Company. Had the Macdonald Agreement been terminated by the Company on December 31, 2024, based on the foregoing termination provision, Mr. Macdonald would have been entitled to be paid \$418,500.

If the Company (or Mr. Macdonald in the event of constructive dismissal) terminates the Macdonald Agreement within six months following a change of control, Mr. Macdonald will also be entitled to the immediate vesting of any unvested Options, RSUs and PSUs granted prior to the change of control. Had the Macdonald Agreement been terminated by the Company (or Mr. Macdonald in the event of constructive dismissal) on December 31, 2024, based on the foregoing termination provision, Mr. Macdonald would have been entitled to receive approximately \$1,150,000 (being a \$418,500 payment and \$731,500 in value attributable to vested Options, RSUs and PSUs).

Chris Allchorne, Chief Financial Officer

Pursuant to an employment agreement (the "**Allchorne Agreement**") effective August 26, 2021, Mr. Allchorne currently receives a salary of \$210,250 per year for his services in his capacity as Chief Financial Officer. The Allchorne Agreement provides that Mr. Allchorne is eligible to receive an annual bonus each year, at the discretion of the Board.

The Company may terminate the Allchorne Agreement at any time without cause upon payment, within 15 days of such termination, of an amount equal to (i) one year of the then-current salary, plus (ii) the average of any annual bonus received over the previous two years. Payment of such amount is subject to the Company's receipt of an acceptable release executed by Mr. Allchorne in favour of the Company. Had the Allchorne Agreement been terminated by the Company on December 31, 2024, based on the foregoing termination provision, Mr. Allchorne would have been entitled to be paid \$297,250.

If the Company (or Mr. Allchorne in the event of constructive dismissal) terminates the Allchorne Agreement within six months following a change of control, Mr. Allchorne will also be entitled to the immediate vesting of any unvested Options, RSUs and PSUs granted prior to the change of control. Had the Allchorne Agreement been terminated by the Company (or Mr. Allchorne in the event of constructive dismissal) on December 31, 2024, based on the foregoing termination provision, Mr. Allchorne would have been entitled to receive approximately \$603,000 (being a \$297,250 payment and \$305,750 in value attributable to vested Options, RSUs and PSUs).

Kelly McDonald, Vice President, Exploration

Pursuant to an employment agreement (the “**McDonald Agreement**”) effective January 16, 2019, Mr. McDonald currently receives a salary of \$246,250 per year for his services in his capacity as Vice President, Exploration. The McDonald Agreement provides that Mr. McDonald is eligible to receive an annual bonus each year, at the discretion of the Board.

The Company may terminate the McDonald Agreement at any time without cause upon payment, within 15 days of such termination, of an amount equal to (i) one year of the then-current salary, plus (ii) the average of any annual bonus received over the previous two years. Payment of such amount is subject to the Company’s receipt of an acceptable release executed by Mr. McDonald in favour of the Company. Had the McDonald Agreement been terminated by the Company on December 31, 2024, based on the foregoing termination provision, Mr. McDonald would have been entitled to be paid \$404,750.

If the Company (or Mr. McDonald in the event of constructive dismissal) terminates the McDonald Agreement within six months following a change of control, Mr. McDonald will also be entitled to the immediate vesting of any unvested Options, RSUs and PSUs granted prior to the change of control. Had the McDonald Agreement been terminated by the Company (or Mr. McDonald in the event of constructive dismissal) on December 31, 2024, based on the foregoing termination provision, Mr. McDonald would have been entitled to receive approximately \$1,053,000 (being a \$404,750 payment and \$648,250 in value attributable to vested Options, RSUs and PSUs).

Ryan Petkau, Vice President, Operations

Pursuant to an employment agreement (the “**Petkau Agreement**”) effective September 7, 2023, Mr. Petkau currently receives a salary of \$207,000 per year for his services in his capacity as Vice President, Operations. The Petkau Agreement provides that Mr. Petkau is eligible to receive an annual bonus each year (up to 100% of salary), at the discretion of the Board.

The Company may terminate the Petkau Agreement at any time without cause upon payment, within 15 days of such termination, of an amount equal to (i) one year of the then-current salary, plus (ii) the average of any annual bonus received over the previous two years. Payment of such amount is subject to the Company’s receipt of an acceptable release executed by Mr. Petkau in favour of the Company. Had the Petkau Agreement been terminated by the Company on December 31, 2024, based on the foregoing termination provision, Mr. Petkau would have been entitled to be paid \$336,250.

If the Company (or Mr. Petkau in the event of constructive dismissal) terminates the Petkau Agreement within six months following a change of control, Mr. Petkau will also be entitled to the immediate vesting of any unvested Options, RSUs and PSUs granted prior to the change of control. Had the Petkau Agreement been terminated by the Company (or Mr. Petkau in the event of constructive dismissal) on December 31, 2024, based on the foregoing termination provision, Mr. Petkau would have been entitled to receive approximately \$696,000 (being a \$336,250 payment and \$359,750 in value attributable to vested Options, RSUs and PSUs).

Josh McDonald, Geological Manager

Pursuant to an employment agreement (the “**J. McDonald Agreement**”) effective February 14, 2024, Mr. J. McDonald currently receives a salary of \$224,000 per year for his services in his capacity as Geological Manager. The J. McDonald Agreement provides that Mr. J. McDonald is eligible to receive an annual bonus each year (up to 50% of salary), at the discretion of the Board.

The Company may terminate the J. McDonald Agreement at any time without cause upon payment, within 15 days of such termination, of an amount equal to (i) one year of the then-current salary, plus (ii) the average of any annual bonus received over the previous two years. Payment of such amount is subject to the Company’s receipt of an acceptable release executed by Mr. McDonald in favour of the Company. Had the J. McDonald Agreement been terminated by the Company on December 31, 2024, based on the foregoing termination provision, Mr. J. McDonald would have been entitled to be paid \$318,750.

If the Company (or Mr. J. McDonald in the event of constructive dismissal) terminates the J. McDonald Agreement within six months following a change of control, Mr. J. McDonald will also be entitled to the immediate vesting of any unvested Options, RSUs and PSUs granted prior to the change of control. Had the J. McDonald Agreement been terminated by the Company (or Mr. McDonald in the event of constructive dismissal) on December 31, 2024, based on the foregoing termination provision, Mr. J. McDonald would have been entitled to receive approximately \$577,500 (being a \$318,750 payment and \$577,750 in value attributable to vested Options, RSUs and PSUs).

DIRECTOR COMPENSATION

The Company currently has six directors, two of which, Joel MacLeod and Greg Macdonald, are also a Named Executive Officers. For a description of the compensation paid to the Named Executive Officers who also act as directors of the Company, see “*Executive Compensation*”.

Mr. Raymond Kwan was appointed as a director on October 31, 2024.

Mr. Garrett Ulmer did not stand for re-election at the May 30, 2024 annual meeting of Shareholders. See “*Corporate Governance — Board of Directors*”.

The Corporate Governance & Compensation Committee is responsible for the development and implementation of a compensation plan for the Outside Directors. The Company does not pay any compensation to officers for acting as a director.

Members of the Board of Directors are paid nominal fees in their capacities as such. Directors are also reimbursed for miscellaneous out-of-pocket expenses in carrying out their duties. Under the Omnibus Incentive Plan, non-executive directors may elect to receive a percentage of their annual remuneration in DSUs.

Additionally, all directors are eligible to receive Grants of Options and RSUs and non-executive directors are eligible to receive Grants of DSUs. The Corporate Governance & Compensation Committee determines the number of Options, RSUs and DSUs awarded to directors. When determining the number of Options, RSUs or DSUs to be granted to directors, consideration is given to the number of Options, RSUs or DSUs previously granted to the directors and the fact that the directors do not receive any other form of compensation.

Director Compensation Table

The following table sets forth all compensation provided to directors who are not also Named Executive Officers (the “**Outside Directors**”) of the Company for the financial year ended December 31, 2024.

Name	Fees Earned (\$)	Share-Based Awards (\$) ⁽¹⁾	Option-Based Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Stephen J. Holyoake	80,000	59,250	Nil	Nil	Nil	Nil	139,250
Ryan Mooney	65,000	59,250	Nil	Nil	Nil	Nil	124,250
David Gardner	50,000	59,250	Nil	Nil	Nil	Nil	109,250
Raymond Kwan ⁽³⁾	10,951	30,500	Nil	Nil	Nil	Nil	41,451
Garrett Ulmer ⁽⁴⁾	12,500	28,750	Nil	Nil	Nil	Nil	41,250

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.
- (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.
- (3) Mr. Raymond Kwan was appointed to the Board on October 31, 2024.
- (4) Mr. Garrett Ulmer did not stand for re-election at the May 30, 2024 annual meeting of Shareholders. See “*Corporate Governance — Board of Directors*”.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth details of all awards outstanding for each Outside Director of the Company as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option ⁽¹⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$) ⁽²⁾	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (\$) ⁽²⁾
Stephen J. Holyoake	500	16.50	Aug 27, 2025	Nil	10,000	60,100	36,060
	500	11.00	May 30, 2027	Nil			
Ryan Mooney	500	11.00	May 30, 2027	Nil	10,000	60,100	33,055
David Gardner	Nil	Nil	Nil	Nil	10,000	60,100	30,050
Raymond Kwan ⁽³⁾	Nil	Nil	Nil	Nil	5,000	30,050	Nil
Garrett Ulmer ⁽⁴⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Calculated based on the difference between the closing price of \$6.01 per Common Share on the TSX-V on December 31, 2024, 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) Calculated based on the difference between the closing price of \$6.01 per Common Share on the TSX-V on December 31, 2024, the last day the Common shares were traded before the year end, and the exercise price of the share-based award, multiplied by the number of Common Shares available for the purchase under the share-based award.
- (3) Mr. Raymond Kwan was appointed to the Board on October 31, 2024.
- (4) Mr. Garrett Ulmer did not stand for re-election at the May 30, 2024 annual meeting of Shareholders. See “*Corporate Governance — Board of Directors*”.

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

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for the Outside Directors of the Company.

Name	Option-Based Awards — Value vested during the year (\$)⁽¹⁾	Share-Based Awards — Value vested during the year (\$)	Non-Equity Incentive Plan Compensation — Value earned during the year (\$)
Stephen J. Holyoake	Nil	32,053	Nil
Ryan Mooney	Nil	31,052	Nil
David Gardner	Nil	30,050	Nil
Raymond Kwan ⁽¹⁾	Nil	Nil	Nil
Garrett Ulmer ⁽²⁾	Nil	Nil	Nil

Notes:

- (1) Mr. Raymond Kwan was appointed to the Board on October 31, 2024.
- (2) Mr. Garrett Ulmer did not stand for re-election at the May 30, 2024 annual meeting of Shareholders. See “*Corporate Governance — Board of Directors*”.

Narrative Discussion

For a summary of the material terms of the Omnibus Incentive Plan, including the issuance of Options, RSUs and DSUs thereunder, please see “*Executive Compensation — Compensation Discussion and Analysis — Long-term Incentive Plans — Omnibus Incentive Plan*”. Any summary is qualified in its entirety by the full text of the Omnibus Incentive Plan, a copy of which will be available at the Meeting and is attached as Schedule “B” to the Company’s management information circular dated April 25, 2024 and available on SEDAR+ at www.sedarplus.ca under the Company’s profile and incorporated by reference herein.

Other Compensation

Other than as set forth herein, the Company did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The aggregate number of Common Shares that may be issued pursuant to Grants made under the Omnibus Incentive Plan together with all other Share Based Compensation arrangements of the Company, shall be a number equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time, provided that the aggregate number of Common Shares that may be issued pursuant to Grants of RSUs made under the Omnibus Incentive Plan shall be a number equal to 5% of the aggregate number of issued and outstanding Common Shares from time to time.

As at December 31, 2024, Highwood had granted 414,656 Options, 215,513 RSUs, 50,000 DSUs and \$2,414,574 value of PSUs.

The following table sets forth securities of the Company that are authorized for issuance under equity compensation plans as at the end of the Company’s most recently completed financial year.

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 securityholders	680,169	7.26	835,112
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	680,169	7.26	835,115

Note:

- (1) At December 31, 2024, the number of Common shares to be issued upon the exercise of outstanding RSU's was 215,513 and the weighted average exercise price of such RSU's was \$Nil. At December 31, 2024, the number of Common Shares to be issued upon the exercise of outstanding Options was 414,656 and the weighted average exercise price of such Option's was \$7.23. At December 31, 2024, the number of Common Shares to be issued upon the exercise of outstanding DSU's was 50,000 and the weighted average exercise price of such DSU's was \$Nil.

MANAGEMENT CONTRACTS

During the most recently completed financial year, no management functions of the Company 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 Company.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director, executive officer, employee or former director, executive officer or employee of the Company or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Company or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Company except as disclosed in the audited financial statements.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein or as previously disclosed, the Company is not aware of any material interests, direct or indirect, by way of beneficial ownership 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 Company which has or will materially affect the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, or as previously disclosed, the Company 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 Company which has or will materially affect the Company or its subsidiaries.

AUDIT COMMITTEE

The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets, reliability of information, and compliance with laws. The Board has adopted terms of reference of the Audit Committee mandating the role of the Audit Committee in supporting the Board in meeting its responsibilities to its shareholders.

Pursuant to National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”) the Company is required to disclose certain information with respect to its Audit Committee, as summarized below.

Audit Committee Terms of Reference

The Company must, pursuant to NI 52-110, have a written charter which sets out the duties and responsibilities of its Audit Committee. The terms of reference of the Audit Committee are attached hereto as Schedule “A”.

Audit Committee Composition

All of the Audit Committee members are experienced businesspersons with experience in financial matters; each has a broad understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor. In addition, each of the members of the Audit Committee has knowledge of the role of an audit committee in the realm of reporting companies.

The following table sets out the names of the members of the Audit Committee and whether they are “independent” and “financially literate”. Shareholders may also refer to the respective biographies of each of the members of the Audit Committee under “*Particulars of Matters to be Acted Upon — Item 3. Election of Directors*” for further details of their respective financial experiences:

Raymond Kwan (Chair)	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
Ryan Mooney	Independent ⁽¹⁾	Financially Literate ⁽¹⁾
David Gardner	Independent ⁽¹⁾	Financially Literate ⁽¹⁾

Note:

(1) As defined by NI 52-110.

During the most recently completed financial year, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (*De Minimis Non-Audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), and any exemption, in whole or in part, in Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee had adopted specific policies and procedures for the engagement of non-audit services as described in the terms of reference of the Audit Committee attached hereto as Schedule “A” under the heading “*External Auditors*”.

External Auditor Service Fees

The aggregate fees billed by the Company’s external auditors in each of the last two (2) fiscal years for audit and other fees are as follows:

Financial Year Ending	Audit Fees (\$) ⁽¹⁾	Audit Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾
2024	\$253,158	-	\$40,215	-
2023	\$438,275	-	\$33,049	-

Notes:

- (1) Audit fees include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Audit-related fees include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Tax fees include fees for all tax services other than those included in audit fees and audit-related fees. This category includes fees for tax compliance, tax planning and tax advice.
- (4) All other fees include fees for products and services provided by the Auditor, other than the services reported above.

As the Company is a “venture issuer” for purposes of applicable securities legislation, the Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirements of Part 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of the Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 — *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Company is required to disclose its corporate governance practices as summarized below.

Composition of the Board and Director Independence

National Policy 58-201 — *Corporate Governance Guidelines* suggests that the Board of a public Company should be constituted with a majority of individuals who qualify as “independent” directors.

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

The Board is responsible for determining whether a director is an independent director. Applying the definition set out in NI 52-110, the majority of directors are considered independent of management.

Joel MacLeod, the Executive Chairman of the Company and Greg Macdonald, the President and Chief Executive Officer of the Company, are members of management and, as a result, are not independent directors.

David Gardner, Raymond Kwan, Stephen J. Holyoake and Ryan Mooney are independent directors of the Company and have no ongoing interest or relationship with the Company other than their security holdings in the Company and serving as directors.

On August 3, 2023, Highwood completed the acquisition (the “**Shale Acquisition**”) of all of the common shares in the capital of Shale Petroleum Ltd. (“**Shale**”). In connection with the closing of the Shale Acquisition, HR Exploration & Energy GMBH (“**HR Exploration**”) received approximately 943,742 Common Shares of the

Company in exchange for the purchase of the Shale Common Shares held by it at the time of the Shale Acquisition. Additionally, in connection with the Shale Acquisition, HR Exploration agreed to purchase a minimum amount of \$10 million in the Company's concurrent subscription receipt prospectus financing and pursuant to the terms and subject to the conditions set forth in a strategic investment agreement entered into between the Company and HR Exploration (the "**Strategic Investment**").

Pursuant to the Strategic Investment, the Company and HR Exploration entered into a board nomination agreement ("**HR Board Nomination Agreement**") whereby HR Exploration shall, for so long as it and its affiliates together shall own or control or exercise discretion over, directly or indirectly, not less than 10% of the issued and outstanding Common Shares, be entitled to nominate for election or appointment to the Board, as applicable, the greater of: (i) one nominee and (ii) such number of nominees that, when compared to the authorized number of directors on the Board at such time, is closest to but not less than proportional to the total number of Common Shares which HR Exploration and its affiliates together own or exercise control or direction over, directly or indirectly, relative to the total number of Common Shares then issued and outstanding. The Company agreed to use commercially reasonable efforts to ensure that the nominee(s) of HR Exploration shall be elected or appointed to the Board. The HR Board Nomination Agreement further provides HR Exploration with participation rights for future offerings to maintain its percentage ownership interest in the issued and outstanding Common Shares of the Company up to a maximum of a percentage ownership interest of 17% of the issued and outstanding Common Shares. HR Exploration also has the right to appoint an observer to the Board for so long as it is entitled to designate a Board nominee for election or appointment under the HR Board Nomination Agreement. Mr. David Gardner is the current nominee ("**HR Board Nominee**") pursuant to the HR Board Nomination Agreement and is an independent director of the Company.

On August 3, 2023, Highwood completed the acquisition (the "**Brazeau Acquisition**") of all of the issued and outstanding common shares of Boulder Energy Ltd. ("**Boulder**"), a corporation existing under the laws of the Province of Alberta and a privately held oil and gas producer, pursuant to the share purchase agreement between Highwood and West Lake Energy Corp. ("**West Lake**"), the sole shareholder of Boulder. In connection with the closing of the Brazeau Acquisition, the Company and West Lake entered into a board nomination agreement ("**WL Board Nomination Agreement**") whereby West Lake was, for so long as it and its affiliates owned or exercised control or direction over, directly or indirectly, not less than 9% of the issued and outstanding Common Shares, entitled to designate for election or appointment to the Board, as applicable, one nominee (the "**West Lake Board Nominee**"). On April 25, 2024, the Company was advised by Libra Advisors, LLC that it had acquired 1,500,000 Common Shares held by West Lake. As a result of such acquisition, the WL Board Nomination Agreement terminated as of such date according to its terms. In connection therewith, Mr. Garrett Ulmer, as the West Lake Board Nominee, did not stand for re-election at the 2024 meeting of Shareholders.

The Board as a whole is responsible for approving long-term strategic plans and annual operating plans and budgets recommended by management. The Board's consideration and approval is also required for material contracts and business transactions and all debt and equity financing transactions. The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, where deemed necessary by the independent directors, the independent directors hold in-camera sessions exclusive of non-independent directors and members of management, which process facilitates open and candid discussion amongst the independent directors.

Directorships

No director of the Company is a director of another reporting issuer.

Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues with the Company along with a description of the committees constituted by the Board. New directors are also expected to be required to meet with management of the Company to discuss and better understand the Company's business and will be advised by counsel to the Company of their legal obligations as directors of the Company. The introduction and education process will be reviewed on an annual basis by the Board and will be revised as necessary.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. The Board has also found that the in camera sessions of the independent directors held in conjunction with Board meetings also help to ensure that directors exercise independent judgement in considering transactions and agreements.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta) ("ABCA"), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board presently seeks and determines new nominees to the Board, although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among the Board members and officers.

Compensation

The remuneration of the directors and the Chief Executive Officer of the Company will be set and periodically reviewed by the Board on the recommendation of the Corporate Governance & Compensation Committee. The Corporate Governance & Compensation Committee is currently composed of Stephen J. Holyoake (Chair), David Gardner and Raymond Kwan all of whom are considered "independent" by the Board.

The Corporate Governance & Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to Chief Executive Officer and director performance and will evaluate performance to determine compensation. The Corporate Governance & Compensation Committee will also make recommendations to the Board regarding compensation, including incentive and equity-based compensation plans and review director and executive officer compensation disclosure prior to public disclosure. See "*Executive Compensation*" and "*Director Compensation*".

Other Board Committees

In addition to the Audit Committee and the Corporate Governance & Compensation Committee, the Board has established the Reserves, Safety and Environment Committee, composed of three “independent” directors which is responsible for assisting the Board in fulfilling its oversight responsibilities in general and, in particular, with respect to: (i) the oil and gas reserves evaluation process and the public disclosure of reserves data and related information as required by National Instrument 51-101 — *Standards of Disclosure for Oil and Gas Activities*; and (ii) environment and safety issues affecting the Company, including the evaluation of the Company’s programs, controls and reporting systems and its compliance with applicable laws, rules and regulations.

Assessments

The Board has not implemented a process for assessing its effectiveness. As a result of the Company’s size, its stage of development and the limited number of individuals on the Board, the Board has considered a formal assessment process to be inappropriate at this time.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Report and Financial Statements

The Board has approved all of the information in the audited financial statements of the Company for the financial year ended December 31, 2024 and the report of the auditor thereon, copies of which are delivered herewith and are also available on www.sedarplus.ca under the Company’s SEDAR+ profile. No vote by the Shareholders is required to be taken on the financial statements.

2. Fix Number of Directors to be Elected at the Meeting

Shareholders of the Company will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by Shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that six directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at six.**

3. Election of Directors

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 Company presently held by such nominee, the nominee’s municipality of residence, principal occupation at the present and during the preceding five years, 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 of the Effective Date.

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. Management 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 form of proxy that his Common Shares are to be withheld from voting in the election of directors. Each director elected will hold office until the next annual general meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company or the provisions of the ABCA to which the Company is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares beneficially owned, or controlled or directed, directly or indirectly, as at the Effective Date ⁽¹⁾⁽²⁾
<p>Joel MacLeod <i>Calgary, Alberta</i> <i>Executive Chairman and Director</i> <i>Director of Highwood since February 21, 2023</i></p>	<p>Executive Chairman and director of Highwood since February 21, 2023. Prior thereto, founding Chairman & CEO of Tidewater Midstream and Infrastructure Ltd. (from January 2012) and Tidewater Renewables Ltd. (from July 2021) until November of 2022. Mr. MacLeod was a founder of Highwood Oil Company Ltd. (formerly Predator Oil Ltd.) in January 2012, a predecessor entity of the Company.</p>	<p>4,879,193 (32.20%)</p>
<p>Greg Macdonald <i>Okotoks, Alberta</i> <i>President, Chief Executive Officer and Director</i> <i>Director of Highwood since June 8, 2017</i></p>	<p>President, CEO & Director of Highwood since June 8, 2017 and President & COO of Highwood since April 11, 2015. Mr. Macdonald served as a director for Mach Energy Services Inc. from January 2015 to June 2017, Cedar Creek Energy Ltd. from December 2016 to 2019, Battle River Energy Ltd. from June 2019 to 2020, and Hoist Capital Corp. from September 2019 to June 2022.</p>	<p>373,019 (2.46%)</p>
<p>Stephen J. Holyoake⁽⁴⁾⁽⁵⁾ <i>Calgary, Alberta</i> <i>Director</i> <i>Director of Highwood since October 10, 2012</i></p>	<p>Mr. Holyoake has been a Board member of Highwood since October, 2012. He is also the President and Chief Executive Officer of Fireweed Energy Ltd., since February, 2017, and a director thereof since January 2016. Prior thereto, Mr. Holyoake was a director of Tidewater Midstream and Infrastructure Ltd. from April 2016 to July 2020. Mr. Holyoake was a founder and member of the board of directors of Predator Midstream Ltd. from May 2012 to the sale of the company in August 2014. Mr. Holyoake was Vice President, Drilling and Completions of Tangle Creek Energy Ltd. from May 2012 to February 2017. Prior thereto, Mr. Holyoake was Vice President, Operations of SkyWest Energy Corp. from May, 2010 to November, 2011.</p>	<p>177,087 (1.17%)</p>
<p>Ryan Mooney⁽³⁾⁽⁵⁾ <i>Calgary, Alberta</i> <i>Director</i> <i>Director since June 24, 2021</i></p>	<p>Mr. Mooney is currently the Managing Director, Investment Banking for Echelon Capital Markets in Calgary with a focus on origination and execution of capital markets transactions within energy and diversified industries across Western Canada. Mr. Mooney holds both a P.Eng designation with APEGA and is a CFA Charterholder with extensive experience in senior roles in industry, research, institutional sales and investment banking.</p>	<p>8,350 (0.06%)</p>

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares beneficially owned, or controlled or directed, directly or indirectly, as at the Effective Date ⁽¹⁾⁽²⁾
David Gardner ⁽³⁾⁽⁴⁾ <i>Tomahawk, Wisconsin, USA</i> <i>Director</i> <i>Director since August 3, 2023</i> <i>HR Board Nominee⁽⁶⁾</i>	From December 2021 until its purchase by Highwood in August 2023, Mr. Gardner was the CEO of Shale. From 2014, Mr. Gardner was SVP of Business Development for Husky Energy in Calgary culminating in Husky's combination with Cenovus Energy in January 2021. Mr. Gardner was a Special Adviser with Kirk Lovegrove & Company Limited in London in 2021.	17,000 (0.11%)
Raymond Kwan ⁽³⁾⁽⁴⁾⁽⁵⁾ <i>Calgary, Alberta</i> <i>Director</i> <i>Director since October 31, 2024</i>	Mr. Kwan has over 20 years' of experience in the energy sector and capital markets. He is currently the founder and managing partner of AXO Capital Corp., an energy-focused family holding company. Mr. Kwan was the Chief Financial Officer of Tidewater Renewables Ltd. (a TSX-listed company engaged in the oil & gas and renewable energy business) from September 2022 to May 2024. Mr. Kwan was a Managing Director at BMO Capital Markets, where he worked from October 2015 to July 2022 in roles with progressively increasing responsibility. Mr. Kwan obtained his Bachelor of Science in Chemical Engineering at the University of Alberta (2003), his Chartered Financial Analyst (CFA) charterholder (2012).	27,000 (0.18%)

Notes:

- (1) Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at the Effective Date, based on information furnished to the Company by the above individuals.
- (2) Assumes a total of 15,154,279 Common Shares issued and outstanding as at the Effective Date.
- (3) Member of the Audit Committee. Raymond Kwan is the Chair of the Audit Committee.
- (4) Member of the Corporate Governance & Compensation Committee. Stephen J. Holyoake is the Chair of the Corporate Governance & Compensation Committee.
- (5) Member of the Reserves, Safety and Environmental Committee. Stephen J. Holyoake is the Chair of the Reserves, Safety and Environmental Committee.
- (6) See “*Corporate Governance — Board of Directors*”.

Cease Trade Orders or Bankruptcies

To the best of the Company’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 Highwood), 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 Company'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, 2001 that would likely not be important to a reasonable securityholder in deciding whether to vote for a proposed director.

4. Appointment of Auditor

The Shareholders will be asked to vote for the appointment of RSM Canada LLP, Chartered Professional Accountants, as auditor of the Company. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favor of a resolution appointing RSM Canada LLP, Chartered Professional Accountants, as auditor of the Company for the next ensuing year,** to hold office until the close of the next annual general meeting of Shareholders or until the firm of RSM Canada LLP is removed from office or resigns as provided by the Company's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favor of a resolution authorizing the Board to fix the compensation of the auditor. RSM Canada LLP was appointed auditor of the Company effective December 19, 2018 following the acquisition of the business of Collins Barrow Calgary LLP by RSM Canada LLP.

5. Re-Approval of Rolling Omnibus Incentive Plan

On May 30, 2024, the Omnibus Incentive Plan was approved by Shareholders. The Omnibus Incentive Plan amended, restated and combined the Company's existing stock option plan, restricted share unit plan and deferred share unit plan and the existing Options, RSUs and DSUs granted under such plans were continued under and are subject to the terms of the Omnibus Incentive Plan. In accordance with the policies of the TSX-V, the Omnibus Incentive Plan must be approved on a yearly basis by an ordinary resolution of the Shareholders entitled to vote at the Meeting.

For a summary of the material terms of the Omnibus Incentive Plan, see "*Executive Compensation — Compensation Discussion and Analysis — Long-term Incentive Plans — Omnibus Incentive Plan*". Any summary is qualified in its entirety by the full text of the Omnibus Incentive Plan, a copy of which will be available at the Meeting and is attached as Schedule "B" to the Company's management information circular dated April 25, 2024 and available on SEDAR+ at www.sedarplus.ca under the Company's profile and incorporated by reference herein.

At the Meeting, Shareholders will be asked to consider and, if thought fit, approve an ordinary resolution (the “**Omnibus Incentive Plan Resolution**”) re-approving the Omnibus Incentive Plan as the Company’s rolling omnibus incentive plan.

In order to be passed, a majority of the votes cast by shareholders at the Meeting in person or by Proxy must be voted in favour of the Omnibus Incentive Plan Resolution.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows. **Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the ordinary resolution.**

“**BE IT RESOLVED** as an ordinary resolution of the Company that:

1. the Omnibus Incentive Plan (as defined and described in the Company’s management information circular dated April 11, 2025), be and is hereby authorized, ratified, approved and adopted as the omnibus incentive plan of the Company;
2. the form of the Omnibus Incentive Plan may be amended, in the discretion of the board of directors of the Company, in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;
3. any one (or more) director or officer of the Company is hereby authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution; and
4. the Company is authorized to reserve and issue Common Shares in the capital of the Company for issuance upon exercise of awards granted pursuant to the Omnibus Incentive Plan.”

The Board has reviewed the proposed resolution and concluded that it is fair and reasonable to the Shareholders and in the best interests of the Company and recommends that Shareholders vote FOR the Omnibus Incentive Plan Resolution.

OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the Shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

GENERAL

Unless otherwise directed, it is management’s intention 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. All special resolutions, if any, to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested Shareholders, if any, require the approval of the Shareholders not affected by, or interested in, the matter to be approved.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca. Financial information of the Company’s most recently completed financial year is provided in the Company’s comparative

financial statements and management discussion and analysis available on SEDAR+. A Shareholder may contact the Company at Suite 1000, 250 – 2nd Street S.W., Livingston Place, Calgary, Alberta, Attn: Chief Financial Officer to obtain a copy of the Company’s most recent financial statements and management discussion and analysis.

BOARD APPROVAL

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

DATED April 11, 2025.

SCHEDULE “A”
AUDIT COMMITTEE TERMS OF REFERENCE

Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Highwood Asset Management Ltd. (“**Highwood**” or the “**Company**”) to which the Board has delegated its responsibility for the oversight of the following:

1. nature and scope of the annual audit;
2. management's reporting on internal accounting standards and practices;
3. the review of financial information, accounting systems and procedures; and
4. financial reporting and financial statements,

and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. To assist directors of Highwood (“**Directors**”) in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Company and related matters;
2. To provide better communication between Directors and external auditors;
3. To enhance the external auditor's independence and review and appraise their performance;
4. To increase the credibility and objectivity of financial reports; and
5. To strengthen the role of the outside Directors by facilitating in depth discussions between Directors on the Committee, management of Highwood (“**Management**”) and external auditors.

Membership of Committee

1. The Committee will be comprised of at least three (3) Directors or such greater number as the Board may determine from time to time and all members of the Committee shall be “independent” (as such term is used in National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”)) unless the Board determines that an exemption contained in NI 52-110 is available and determines to rely thereon.

“**Independent**” generally means free from any business or other direct or indirect material relationship with the Company that could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

2. The Board may from time to time designate one of the members of the Committee to be the chairperson of the Committee (the “**Chair**”).
3. All of the members of the Committee must be “financially literate” (as defined in NI 52-110) unless the Board determines that an exemption under NI 52-110 from such requirement in respect of any particular member is available and determines to rely thereon in accordance with the provisions of NI 52-110.

Being “**financially literate**” means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

Mandate and Responsibilities of Committee

To fulfill its responsibilities and duties, the Committee shall:

1. Undertake annually a review of this mandate and make recommendations to the Corporate Governance and Nominating Committee as to proposed changes;
2. Satisfy itself on behalf of the Board with respect to the Company's internal control systems, including, where applicable, relating to derivative instruments:
 - (a) identifying, monitoring and mitigating business risks; and
 - (b) ensuring compliance with legal, ethical and regulatory requirements.
3. Review the Company's financial statements and reports and any related management's discussion and analysis (“**MD&A**”), any annual earnings, interim earnings and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial reports), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors; the process should include but not be limited to:
 - (a) reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - (b) reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - (c) reviewing accounting treatment of unusual or non-recurring transactions;
 - (d) ascertaining compliance with covenants under loan agreements;
 - (e) reviewing financial reporting relating to asset retirement obligations;
 - (f) reviewing disclosure requirements for commitments and contingencies;
 - (g) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - (h) reviewing unresolved differences between Management and the external auditors;
 - (i) obtain explanations of significant variances with comparative reporting periods; and
 - (j) determine through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed.
4. Review the financial reports and related information included in Information Circulars, MD&A, information circular-proxy statements and annual information forms and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Highwood's disclosure of all other financial information and will periodically assess the accuracy of those procedures;
5. With respect to the appointment of external auditors by the Board:
 - (a) require the external auditors to report directly to the Committee;
 - (b) review annually the performance of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
 - (c) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company and confirming their independence from the Company;

- (d) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (e) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Company, including the resolution of disagreements between Management and the external auditor regarding financial reporting;
 - (f) review Management's recommendation for the appointment of external auditors and recommend to the Board appointment of external auditors and the compensation of the external auditors;
 - (g) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;
 - (h) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
 - (i) take, or recommend that the full Board take, appropriate action to oversee the independence of the external auditors; and
 - (j) at each meeting, consult with the external auditors, without the presence of Management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial reports.
6. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors and consider the impact on the independence of the auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
- (a) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent (5%) of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (b) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (c) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.
- The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time;
7. With respect to the financial reporting process:
- (a) in consultation with the external auditors, review with Management the integrity of the Company's financial reporting process, both internal and external;
 - (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
 - (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and Management;
 - (d) review significant judgments made by Management in the preparation of the financial reports and the view of the external auditors as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with Management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
 - (f) review any significant disagreement among Management and the external auditors regarding financial reporting;
 - (g) review with the external auditors and Management the extent to which changes and improvements in financial or accounting practices have been implemented; and
 - (h) review the certification process.
8. Review financial reporting relating to risk exposure and risk management policies and procedures of the Company (i.e., hedging, litigation and insurance).
 9. Establish a procedure for:
 - (a) the receipt, retention and treatment of complaints received by Highwood regarding accounting, internal accounting controls or auditing matters; and
 - (b) the confidential, anonymous submission by employees of Highwood of concerns regarding questionable accounting or auditing matters.
 10. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
 11. Review any other matters that the Committee feels are important to its mandate or that the Board chooses to delegate to it;

The Committee has authority to communicate directly with the internal auditors (if any) and the external auditors of the Company, and to engage independent counsel and other advisors as it deems necessary to carry out its duties (and to set and pay compensation to such advisors). The Committee will also have the authority to investigate any financial activity of Highwood. All employees of Highwood are to cooperate as requested by the Committee.

Meetings and Administrative Matters

1. The Committee shall meet at least four times per year and/or as deemed appropriate by the Chair. As part of its job to foster open communication, the Committee will meet at least annually with Management and the external auditors in separate sessions, and at such other times as the external auditor and/or the Committee consider appropriate. The Chief Financial Officer of Highwood shall attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
2. Agendas, with input from Management and approved by the Chair, shall be circulated to Committee members and relevant Management personnel along with background information on a timely basis prior to the Committee meetings.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
5. At all meetings of the Committee, every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall be entitled to a second or casting vote.

6. The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to the Committee members with copies to the Board, the Chief Financial Officer or such other officer acting in that capacity, and the external auditor.
7. The Committee may invite such officers, directors and employees of the Company and its subsidiaries, if any, as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
8. The Committee may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Company as determined by the Committee without any further approval of the Board.
9. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a Director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee each member will hold such office until the Committee is reconstituted.
10. Any issues arising from these meetings that bear on the relationship between the Board and Management should be communicated to the Chairman of the Board by the Committee Chair.