



# Information Circular 2023

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## LETTER TO SHAREHOLDERS

April 21, 2023

Dear Shareholder,

It is my pleasure to invite you to attend our annual shareholder meeting which will be held on Wednesday, June 7, 2023 at 3:00 p.m. (Calgary time) in the Devonian Room at the Calgary Petroleum Club, located at 319 – 5 Avenue SW, Calgary, Alberta. At the meeting, you will hear about our performance and achievements in 2022 and our plans for the future, including our environmental performance improvement initiatives. We are pleased to be holding our meeting in person at the Calgary Petroleum Club.

The accompanying materials describe the business to be dealt with at the meeting and provide you with additional information about Tourmaline and its directors, as well as an annual review of our executive compensation, corporate governance practices, and environmental performance improvement initiatives. In these materials, you will also find important information and instructions on how to vote. Please exercise your rights as a shareholder either by attending and voting at the meeting, or by using the enclosed voting instruction form or form of proxy. Please take time to read these materials.

Your vote is important to us. If you are unable to attend the meeting, we encourage you to vote by returning the signed voting instruction form or form of proxy or by voting via our internet option. If your shares are not registered in your name and are held in the name of your broker or its nominee, please consult the information contained herein on how to vote your shares. **In addition, if you have any questions with respect to the accompanying materials or the meeting you should contact our strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-855-682-8085 (toll-free in North America) or 416-867-2272 (collect call outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

We look forward to seeing you at this year's meeting and I thank you for your continued support and confidence in Tourmaline.

Sincerely,

Signed "*Michael L. Rose*"

Michael L. Rose

Chairman, President and Chief Executive Officer

## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The annual meeting (the "**Meeting**") of the shareholders of Tourmaline Oil Corp. ("**Tourmaline**" or the "**Company**") will be held in the Devonian Room at the Calgary Petroleum Club, located at 319 – 5 Avenue SW, Calgary, Alberta on Wednesday, June 7, 2023 at 3:00 p.m. (Calgary time) in order to:

1. receive the financial statements of the Company for the year ended December 31, 2022 together with the notes thereto and the auditor's report thereon;
2. elect the directors of the Company;
3. appoint the auditor of the Company;
4. consider and, if thought advisable, pass an ordinary resolution of shareholders approving the unallocated options under the Company's share option plan; and
5. transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular – Proxy Statement, which accompanies and forms part of this Notice.

Registered shareholders at the close of business on April 21, 2023 will be entitled to receive notice of and vote at the Meeting.

As a shareholder, it is important that you vote. Shareholders are encouraged to return their form of proxy or voting instruction form as soon as possible. A postage-paid, pre-addressed envelope is provided. As an alternative, shareholders may choose to vote on the internet as provided for on the form of proxy or voting instruction form. Proxies must be received prior to 3:00 p.m. (Calgary time) on Monday, June 5, 2023, or if the Meeting is adjourned, at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed Meeting.

**Shareholders who have any questions with respect to the accompanying materials or the Meeting should contact Tourmaline's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-855-682-8085 (toll-free in North America) or 416-867-2272 (collect call outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

DATED at Calgary, Alberta, this 21<sup>st</sup> day of April, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

Signed "*Michael L. Rose*"

Michael L. Rose

Chairman, President and Chief Executive Officer

## INFORMATION CIRCULAR – PROXY STATEMENT

for the Annual Meeting of Shareholders to be held on June 7, 2023

Dated: April 21, 2023

### Solicitation of Proxies and Record Date

This Information Circular – Proxy Statement (this "**Circular**") is furnished in connection with the solicitation of proxies by the management of Tourmaline Oil Corp. ("**Tourmaline**", the "**Company**", "**we**", "**us**" or "**our**") for use at the annual meeting (the "**Meeting**") of holders of common shares ("**shares**" or "**Common Shares**") of the Company to be held on Wednesday, June 7, 2023 at 3:00 p.m. (Calgary time) and at any adjournment thereof, for the purposes set forth in the Notice of Annual Meeting of Shareholders. The Meeting will be held in Devonian Room at the Calgary Petroleum Club, located at 319 – 5 Avenue SW, Calgary, Alberta.

You have received a form of proxy or voting instruction form. The solicitation is made on behalf of the management of the Company. The total costs incurred in the preparation and mailing of the form of proxy or voting instruction form, Notice of Annual Meeting of Shareholders, Notice and Access Notification and this Circular (collectively, the "**Meeting Materials**") will be borne by the Company. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone, email, facsimile or other means of communication and by the directors, officers and employees of the Company, who will not be specifically remunerated therefor. Tourmaline has engaged Kingsdale Advisors as its strategic shareholder advisor and proxy solicitation agent and will pay fees of approximately \$75,000 to Kingsdale Advisors for the advisory and proxy solicitation services in addition to certain out-of-pocket expenses. Tourmaline may also reimburse brokers and other persons holding shares in their name or in the name of their nominees for their costs incurred in sending the Meeting Materials to their principals in order to obtain their proxies. The Company does not mail Meeting Materials directly to either registered or non-registered shareholders. Odyssey Trust Company ("**Odyssey**"), the Company's transfer agent, mails Meeting Materials to registered shareholders. Broadridge Investor Communications Solutions, Inc. ("**Broadridge**"), the service company for most intermediaries (as further described herein), distributes Meeting Materials to all non-registered shareholders who have requested the Meeting Materials.

**Shareholders who have any questions with respect to the Meeting Materials or the Meeting should contact Tourmaline's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-855-682-8085 (toll-free in North America) or 416-867-2272 (collect call outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

The Board of Directors (the "**Board**") of the Company has fixed the record date for the Meeting at the close of business on April 21, 2023 (the "**Record Date**"). Shareholders of the Company of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that it owns such shares, 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 shares at the Meeting.

Unless otherwise stated, the information contained in this Circular is given as at the Record Date.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or the shareholder's attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy or voting instruction form are directors and/or officers of the Company. Each shareholder has the right to appoint a proxyholder other than the persons designated, who need not be a shareholder, to attend and to act for the shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.

### Notice and Access

Canadian securities rules ("**Notice and Access**") permit Tourmaline to provide you with electronic access to this Circular for the Meeting instead of sending you a paper copy. The materials for the Meeting are being sent to beneficial shareholders using Notice and Access. This approach is environmentally friendly as it helps reduce paper use. The notice you received includes instructions on how to access and review an electronic copy of the Meeting Materials and how to request a paper copy. The notice also provides instructions on voting by proxy at the Meeting.

This Circular is available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at [www.sedar.com](http://www.sedar.com) and at <https://odysseytrust.com/client/tourmaline/>.

### How to Vote Your Shares

The voting process is different depending on whether you are a registered shareholder or a beneficial shareholder, which includes non-objecting beneficial owners and objecting beneficial owners.

If you have shares registered in your own name, you are a registered shareholder. If you do not hold shares in your own name, you are a beneficial or non-registered owner. If your shares are listed in an account statement provided to you by a broker, then it is likely that those shares will not be registered in your name, but under the broker's name or under the name of an agent of the broker such as CDS Clearing and Depository Services Inc., the nominee for many Canadian brokerage firms, or its nominee.

Beneficial shareholders will receive a voting instruction form from Broadridge. This is to be completed and returned to Odyssey in the envelope provided. In addition, Odyssey provides internet voting as described on the voting instruction form.

**If you are a beneficial shareholder receiving a voting instruction form from a broker or agent, you cannot use that form to vote in person at the Meeting. To vote your shares at the Meeting, the voting instruction form must be returned as instructed by the broker well in advance of the Meeting. If you wish to attend and vote your shares in person at the Meeting, follow the instructions for doing so provided by your broker or agent.**

### Registered Shareholders

You are a registered shareholder if your Tourmaline shares are held in your name or if you have a share certificate or DRS Advice for Tourmaline shares. A registered shareholder can vote in the following ways:

<b>Internet</b>	<a href="https://login.odysseytrust.com/pxlogin">https://login.odysseytrust.com/pxlogin</a>
<b>Fax</b>	1-800-517-4553 (toll-free in North America)
<b>Mail</b>	Odyssey Trust Company Attention: Proxy Department Traders Bank Building 702, 67 Yonge Street Toronto, Ontario M5E 1J8
<b>Email</b>	<a href="mailto:proxy@odysseytrust.com">proxy@odysseytrust.com</a>
<b>Questions?</b>	Call Kingsdale Advisors at 1-855-682-8085 (toll-free within North America) or 416-867-2272 (collect call outside North America) or by email at <a href="mailto:contactus@kingsdaleadvisors.com">contactus@kingsdaleadvisors.com</a>

Odyssey must receive your proxy form by 3:00 p.m. (Calgary time) on Monday, June 5, 2023. If the Meeting is postponed or adjourned, Odyssey must receive your proxy form at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned or postponed Meeting. The time limit for the deposit of proxies can be waived or extended by the chair of the Meeting at his discretion without notice.

### Beneficial Shareholders

You are a beneficial shareholder (a "**Beneficial Shareholder**") if your Tourmaline shares are held in your own name. Beneficial Shareholders should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such shares will more likely be registered under the name of the Beneficial 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 CDS Clearing and Depository Services Inc., which acts as nominees for many Canadian brokerage firms). Shares held by a broker or their nominee can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker or nominee is prohibited from voting shares for their client. The Company does not know for whose benefit the shares registered in the name of CDS & Co. are held.

If you are a Beneficial Shareholder, please return your voting instructions as specified in the voting instruction form mailed to you.

Securities regulation requires brokers or agents to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Beneficial Shareholders should be aware that brokers or agents can only vote shares if instructed to do so by the Beneficial Shareholders. Your broker or agent (or their agent Broadridge) will have provided you with a voting instruction form or proxy form for the purpose of obtaining your voting instructions. Every broker has its own mailing procedures and provides instructions for voting. You must follow those instructions carefully to ensure your shares are voted at the Meeting.

The Company may utilize the Broadridge QuickVote™ system, which involves non-objecting beneficial owners (**NOBOs**) being contacted by Kingsdale Advisors, which is soliciting proxies on behalf of Management, to obtain voting instructions over the telephone and relaying them to Broadridge (on behalf of the NOBO's Intermediary). While representatives of Kingsdale Advisors are soliciting proxies on behalf of management, shareholders are not required to vote in the manner recommended by the Board of Directors. The QuickVote™ system is intended to assist shareholders in placing their votes, however, there is no obligation for any shareholders to vote using the QuickVote™ system, and shareholders may vote (or change or revoke their votes) at any other time and in any other applicable manner described in this Circular. Any voting instructions provided by a shareholder will be recorded and such shareholder will receive a letter from Broadridge (on behalf of the shareholder's Intermediary) as confirmation that their voting instructions have been accepted.

**If you are a Beneficial Shareholder receiving a voting instruction form or proxy from a broker or agent, you cannot use that form to vote in person at the Meeting. To vote your shares at the Meeting, the voting instruction form or proxy form must be returned as instructed by the broker well in advance of the Meeting. If you wish to attend and vote your shares in person at the Meeting, follow the instructions for doing so provided by your broker or agent.**

### Revocability of Proxy

A shareholder who has submitted a form of proxy or voting instruction form may revoke it at any time prior to the exercise thereof. In addition to revocation in any other manner permitted by law, a registered shareholder who has given an instrument of proxy may revoke it by instrument in writing executed by the shareholder or the shareholder's attorney authorized in writing, deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof, and upon either of such deposits, the proxy is revoked. A registered shareholder attending the Meeting has the right to vote in person, and if the registered

shareholder does so, any proxy previously given is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting.

### Exercise of Discretion by Proxy

The shares represented by proxy in favour of management nominees shall be voted on any matter at the Meeting and, where the shareholder specifies a choice with respect to any matter to be acted upon, the shares shall be voted on any matter in accordance with the specification so made.

In the absence of such specification, the shares will be voted in favour of the matters to be acted upon. The persons appointed under the proxy or voting instruction form furnished by the Company are conferred with discretionary authority with respect to amendments or variations of those matters specified in the proxy or voting instruction form and Notice of Annual Meeting of Shareholders. At the time of printing this Circular, management of the Company knows of no such amendment, variation or other matter.

### Questions

**Shareholders who have any questions with respect to the Meeting Materials or the Meeting should contact Tourmaline's strategic shareholder advisor and proxy solicitation agent, Kingsdale Advisors, at 1-855-682-8085 (toll-free in North America) or 416-867-2272 (collect call outside North America) or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).**

## INFORMATION CONCERNING THE COMPANY

### Voting Shares and Principal Holders Thereof

As at April 21, 2023, there were 339,138,200 Common Shares issued and outstanding, each such share carrying the right to one (1) vote on any poll or ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if there are not less than two (2) persons present at the Meeting holding or representing by proxy not less than 25% of the shares entitled to be voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at April 21, 2023, no person or company beneficially owned or controlled or directed, directly or indirectly, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company other than as set out in the following table:

Name	Common Shares Held	Percentage of Issued and Outstanding Common Shares
Capital World Investors	45,810,262	13.52 <sup>(1)</sup>

*(1) Based on information in public filings made by the above entity and as at the date of the most recent public filing by such entity, being March 31, 2023.*

## MATTERS TO BE ACTED UPON AT THE MEETING

### Election of Directors

At the Meeting, shareholders will be asked to elect ten (10) directors to hold office until the next annual meeting or until their successors are elected or appointed. Each of the nominated directors currently serves on our Board and were elected at the 2022 annual meeting of shareholders. In accordance with the Company's by-laws (the "**By-Laws**"), the Board has determined that ten (10) directors will be elected at the Meeting, each of whom will serve until the next annual meeting of shareholders or until their respective successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of each of the ten (10) nominees hereinafter set forth:

Michael L. Rose	John W. Elick
Brian G. Robinson	Andrew B. MacDonald
Jill T. Angevine	Lucy M. Miller
William D. Armstrong	Janet L. Weiss
Lee A. Baker	Ronald C. Wigham

See "*Information Regarding Proposed Directors*" in this Circular for additional information on the director nominees.

As described below under "*Majority Voting for Directors*", the election of each individual director of the Company will be effected by an ordinary resolution requiring the approval of more than 50% of the votes cast in respect of the resolution by or on behalf of shareholders present or represented by proxy at the Meeting. It is the intention of the persons named in the enclosed form of proxy or voting instruction form, if named as proxy and not expressly directed to the contrary in the form of proxy or voting instruction form, to vote those proxies FOR the election of each of the persons specified above.

Management does not contemplate that any of the nominees will be unable to serve as a director but should that circumstance arise for any reason prior to the Meeting, the persons named in the enclosed form of proxy or voting instruction form reserve the right to vote for another nominee at their discretion.

The Company's By-Laws incorporate advance notice provisions with respect to director nominations. The By-Laws set forth a procedure requiring advance notice to the Company by any shareholder who intends to nominate any person for election as a director of the Company other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act (Alberta)* (the "**ABCA**"); or (ii) a shareholder proposal made pursuant to the provisions of the ABCA.

Among other things, the advance notice provisions set a deadline by which such shareholders must notify the Company in writing of an intention to nominate directors prior to any meeting of shareholders at which directors are to be elected and set forth the information that the shareholder must include in the notice for it to be valid. The advance notice provisions of the By-Laws provide a reasonable time frame for shareholders to notify the Company of their intention to nominate directors and require shareholders to disclose information concerning the proposed nominees that is mandated by applicable securities laws. The Board will be able to evaluate the proposed nominees' qualifications and suitability as directors and respond as appropriate in the best interests of the Company. The advance notice provisions also ensure an orderly and efficient meeting process by providing a structured and transparent framework for nominating directors.

No person nominated by a shareholder will be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Company's By-Laws. A copy of the By-Laws is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Majority Voting for Directors

The Board has adopted a majority voting policy for directors that requires individual voting by ballot for each director. Pursuant to this policy, if any nominee for director receives a greater number of votes "withheld" from his or her election than votes "for" his or her election (a "majority withhold vote") then promptly following a majority withhold vote such nominee will tender his or her resignation for consideration by the Board to the Chairman of the Corporate Governance and Nominating Committee. This resignation will be effective upon acceptance by the Board. Also, if the Chairman of the Corporate Governance and Nominating Committee receives a majority withhold vote, then he or she will tender his or her resignation to the Chairman of Tourmaline.

The Corporate Governance and Nominating Committee will promptly consider the tendered resignation and recommend to the Board whether to accept or reject it. In determining whether to recommend acceptance or rejection of the tendered resignation, the Corporate Governance and Nominating Committee will consider all factors it deems relevant including, without limitation, the reasons, if known, why shareholders "withheld" or were requested to "withhold" votes from the director. In particular, the Corporate Governance and Nominating Committee will consider if shareholders "withheld" or were requested to "withhold" votes from the director for reasons other than the qualifications or individual actions of the director; the director's length of service and qualifications; the director's share ownership; the director's contributions to Tourmaline; the current mix of skills and attributes of the directors on the Board; the impact with respect to covenants in agreements or plans, if any; and legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for director numbers and qualifications.

The Board will consider the Corporate Governance and Nominating Committee's recommendation no later than ninety (90) days following the date of the shareholders' meeting at which the election occurred. In deciding whether to accept or reject the tendered resignation, the Board will consider the factors considered by the Corporate Governance and Nominating Committee and any additional information and factors the Board believes to be relevant. Generally, it is expected that the Board will accept a resignation absent exceptional circumstances.

Promptly following the Board's decision, Tourmaline will disclose that decision, including an explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the tendered resignation, in a press release and provide a copy of the press release to the Toronto Stock Exchange (the "TSX"). If the Board decides to accept the director's resignation, the Corporate Governance and Nominating Committee will recommend to the Board whether to fill the resulting vacancy or to continue with the reduced size of the Board.

Any director who tenders his or her resignation pursuant to the majority voting policy will not participate in the Corporate Governance and Nominating Committee recommendation or the Board consideration whether to accept or reject the tendered resignation. If a majority of the members of the Corporate Governance and Nominating Committee have received a majority withhold vote at the same election, then the directors who have not received a majority withhold vote will appoint a Board committee among themselves solely for the purpose of considering the tendered resignations and such special committee will recommend to the Board whether to accept or reject them within the ninety (90) day period. If a sufficient number of directors have received a majority withhold vote and have tendered a resignation in accordance with the majority voting policy, such that the Board would no longer have a quorum if all resignations were accepted, then such directors who have tendered a resignation in accordance with the majority voting policy shall not vote in any meeting of the Board at which his or her resignation is considered. However, in that case, each such director present at a meeting of the Board may be counted for the purpose of determining whether the Board has quorum at the particular meeting. Except as set forth in this paragraph, a director who tenders his or her resignation pursuant to the majority voting policy will continue to participate in all meetings of the Board and any applicable committees of the Board on which such director serves until such time, if applicable, as the Board decides to accept the director's tendered resignation.

In the event that any director who received a majority withhold vote does not tender his or her resignation in accordance with the majority voting policy, he or she shall not be re-nominated by the Board and shall not be entitled to any benefits (financial or otherwise) of a director or past director of Tourmaline.

The Board and the Corporate Governance and Nominating Committee may adopt such procedures as they see fit to assist in their determinations under the majority voting policy.

Tourmaline's majority voting policy applies only to uncontested elections. An "uncontested election" means any election of directors where the election does not involve the circulation of proxy material required by applicable securities legislation in support of one (1) or more nominees who are not part of the slate supported by the Board.

### Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to re-appoint the firm of KPMG LLP, Chartered Professional Accountants ("**KPMG LLP**") to serve as auditor of the Company until the next annual meeting of the shareholders and to authorize the directors to fix their remuneration as such. KPMG LLP has been the Company's auditor since the formation of the Company.

See "*Audit Committee Information*" for additional information including information regarding the Audit Committee's review of KPMG LLP and its recommendation to the Board that the Board recommend to shareholders the re-appointment of KPMG LLP as Tourmaline's auditor.

### Approval of Unallocated Options under the Share Option Plan

The Company's share option plan, as amended, (the "**Share Option Plan**") is described in "*Schedule B – Summary of Share Option Plan*" attached hereto. The Share Option Plan is an integral component of compensation for the Company's employees and service providers as described in the section "Compensation Discussion and Analysis" below. Pursuant to the Share Option Plan, options ("**Options**") to purchase Common Shares may be granted to directors, officers, employees and long-term service providers of the Company. When Options have been granted, Common Shares reserved for issuance under an outstanding Option are referred to as allocated Options. Additional Common Shares that may be issued pursuant to the Share Option Plan but are not subject to current Option grants are referred to as unallocated Options.

The Share Option Plan is a "rolling plan" whereby the Company is entitled to issue Options in respect of a maximum number of Common Shares equal to 7.5% of the issued and outstanding Common Shares of the Company. On April 21, 2023, the Board reduced the maximum number of Common Shares that may be issued pursuant to the Share Option Plan from 8.5% to 7.5% of the issued and outstanding shares of the Company to reduce potential future shareholder dilution. A "rolling plan" allows the number of shares covered by Options that have been exercised, to be available for subsequent grants under the Share Option Plan. Pursuant to the rules of the TSX, every three years, all unallocated Options, rights or other entitlements available under the Share Option Plan must be approved by a majority of the Company's directors and the Company's shareholders. The Share Option Plan was approved by the TSX in connection with the listing of its Common Shares on the TSX in the fall of 2010.

Based on 339,138,200 issued and outstanding Common Shares at April 21, 2023, the number of Options that may be issued under the Share Option Plan is currently limited to 25,435,365 of which Options to purchase 12,528,708 Common Shares are outstanding, leaving unallocated 12,906,657 Common Shares available for future Option grants. The weighted average exercise price of outstanding Options to purchase Common Shares is \$42.65. The average contractual life of the outstanding Options is 5.1 years.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution (the "**Share Option Plan Resolution**"), with or without variation, relating to the approval of unallocated Options as follows:

#### **BE IT RESOLVED THAT:**

1. all unallocated options, rights or other entitlements available under the Company's share option plan are hereby approved until June 7, 2026; and
2. any one director or officer of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver all other documents, and do all such acts and things, as may be necessary or desirable in connection with the foregoing resolutions.

The directors unanimously approved all unallocated Options, rights or other entitlements available under the Share Option Plan on April 21, 2023. The Share Option Plan Resolution must also be approved by an ordinary resolution of the shareholders, being a simple majority of votes cast by the shareholders of the Company who vote in person or by proxy at the Meeting in favour of the Share Option Plan Resolution.

If at the Meeting, the shareholders of the Company do not approve the Share Option Plan Resolution, all currently outstanding Options will be unaffected, however the Company will not be able to issue any further Options under the Share Option Plan and any outstanding Options that are thereafter cancelled or expire will not be available for re-grant until such time as shareholder approval is obtained.

If the Share Option Plan Resolution is not approved at the Meeting, the Company will have to consider alternate forms of performance-based compensation, including additional cash bonuses, other equity incentive plans or other means in order to attract and retain qualified personnel.

**Unless otherwise directed by the shareholders appointing them as proxyholder, the persons named in the enclosed proxy form intend to vote FOR the Share Option Plan Resolution.**

## **INFORMATION REGARDING PROPOSED DIRECTORS**

The following sets out information regarding each of the director nominees, including, among other things, a brief summary of their experience and qualifications, provinces or states and countries of residence, age, the number of voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly, and the monetary value of such voting securities, the period served as director and the principal occupation, business or employment of each as well as the committees of the Board ("**Committees**") on which they serve. The information as to shares beneficially owned or controlled or directed, directly or indirectly, as well as the monetary value thereof is based upon information furnished to the Company by the nominees as of December 31, 2022.

The Board has determined that all of the director nominees with the exception of Michael L. Rose and Brian G. Robinson are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators ("**NI 58-101**").

**MICHAEL L. ROSE***Chairman, President and Chief Executive Officer***Alberta, Canada**

Director since: August 6, 2008

2022 Votes for: 96.60%

Age: 65

Mr. Rose has been the Chairman, President and Chief Executive Officer of Tourmaline since he founded the Company in August 2008. Prior thereto, he was Chairman, President and Chief Executive Officer of Duvernay Oil Corp. ("**Duvernay**"), a publicly traded oil and gas company (2004-2008). Mr. Rose has over 44 years of experience in the oil and gas industry and has held various exploration and production positions including managing exploration and petroleum engineering research for a large exploration and production company before founding Berkley Petroleum Corp. ("**Berkley**") in 1993. After the sale of Berkley in 2001, Mr. Rose founded Duvernay, which was sold in August 2008. Mr. Rose is also the founder and Chairman of Topaz Energy Corp. ("**Topaz**"), which was founded in 2019.

Mr. Rose was educated at Queen's University, graduating with an honours degree in Geology. Mr. Rose is a member of the Association of Professional Engineers and Geoscientists of Alberta and the Canadian Society of Petroleum Geologists. Among other awards, Mr. Rose is the recipient of the Stanley Slipper Gold Medal from the Canadian Society of Petroleum Geologists (2009) and the Lifetime Achievement Award from the World Oil Council (2022).

**Board and Committee Membership****2022 Attendance**

Board of Directors

5/5 - 100%

**Number of Common Shares Owned****Value of Common Shares Owned<sup>(1)</sup>**

16,473,915

\$1,125,497,873

**Compliance with Share Ownership Requirements****Target Date for Share Ownership Requirement Compliance**

Met

N/A

**BRIAN G. ROBINSON***Vice President, Finance and Chief Financial Officer***Alberta, Canada**

Director since: August 6, 2008

2022 Votes for: 90.86%

Age: 66

Mr. Robinson is a director and Vice President, Finance and Chief Financial Officer of Tourmaline. Prior thereto, Mr. Robinson was Vice President, Finance and Chief Financial Officer of Duvernay and prior to that was Vice President, Finance and Chief Financial Officer of Berkley. Previously, Mr. Robinson held numerous positions in finance and accounting with intermediate and senior oil and gas companies, commencing his career with a large public accounting firm. Mr. Robinson has more than 40 years of experience in the oil and gas industry with a focus, at an executive level, in the disciplines of finance, financial reporting, budgeting, accounting, risk management, information security, treasury, tax, and business development. Mr. Robinson is also a director of Topaz and a trustee of Boardwalk Real Estate Investment Trust, a publicly traded R.E.I.T on the TSX. Mr. Robinson holds a Bachelor of Commerce degree from the University of Calgary and is a Chartered Accountant.

**Board and Committee Membership****2022 Attendance**

Board of Directors

5/5 - 100%

**Number of Common Shares Owned****Value of Common Shares Owned<sup>(1)</sup>**

1,244,870

\$85,049,518

**Compliance with Share Ownership Requirements****Target Date for Share Ownership Requirement Compliance**

Met

N/A

**JILL T. ANGEVINE**  
*Independent Director*

**Alberta, Canada**

Director since: November 4, 2015

2022 Votes for: 97.42%

Age: 55

Ms. Angevine is a Corporate Director and President of Brownstone Asset Management. Ms. Angevine has over 25 years of professional experience in the investment management industry including portfolio management, capital markets and equity research. Ms. Angevine also serves on the boards of Ero Copper Corp., Advantage Energy Ltd. and Grey Wolf Animal Health. Prior to her work as a Corporate Director, Ms. Angevine was a Portfolio Manager at two asset management companies and prior thereto was Vice President and Director, Institutional Research at FirstEnergy Capital Corp.

Ms. Angevine holds a Bachelor of Commerce degree from the University of Calgary and has earned the Chartered Professional Accountant (CPA, CA), the Chartered Financial Analyst (CFA), and the Institute of Corporate Directors (ICD.D) designations.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Audit Committee (Chair)	5/5 - 100%
Corporate Governance and Nominating Committee	2/2 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

44,500	\$3,040,240
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**WILLIAM D. ARMSTRONG**  
*Independent Director*

**Texas, U.S.A.**

Director since: October 27, 2008

2022 Votes for: 99.01%

Age: 63

Mr. Armstrong is President and Chief Executive Officer of Armstrong Oil & Gas Inc. ("AOG"), an oil and gas exploration and production company headquartered in Denver, Colorado. Mr. Armstrong founded AOG in 1985 and has grown the business by generating and drilling large impact wildcat exploration opportunities. Over the last 36 years, AOG has been involved in the discovery of over a dozen new fields with activity in the North Slope and Cook Inlet Basins of Alaska, the Gulf of Mexico, the San Joaquin Valley, the Williston Basin, the Michigan Basin, and the Wyoming/Utah Overthrust Belt. Most recently, Mr. Armstrong and his team have been active on the North Slope of Alaska finding numerous 100+ million-barrel oil fields including one of the largest oil fields in U.S. history, the 3+ billion barrel of oil Pikka Field. He also sits of the National Petroleum Council. In 2021, Mr. Armstrong was awarded Wildcatter of the Year by the Western Energy Alliance and in 2020, he received the Norman H. Foster Outstanding Explorer Award from the American Association of Petroleum Geologists.

Mr. Armstrong graduated Phi Beta Kappa from Southern Methodist University with a degree in Geology in 1982. In 2004, Mr. Armstrong and his wife founded Epoch Estate Wines, an ultra- premium vineyard/winery operation located in Paso Robles, California. He is active in numerous business ventures, investments and philanthropies, and he is on the board of Southern Methodist University.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Reserves Committee	0/1 - 0%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

400,000	\$27,328,000
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**LEE A. BAKER**  
*Independent Director*

**Alberta, Canada**

Director since: March 22, 2011

2022 Votes for: 97.79%

Age: 67

Mr. Baker has been an independent businessman since 2016. Prior thereto, Mr. Baker was President and Chief Executive Officer of Nordegg Resources Inc. ("**Nordegg**"), a private oil and gas company which he co-founded in March 2008. Prior to 2008, Mr. Baker was President and Chief Executive Officer of RSX Energy Inc., a publicly listed oil and gas company. Mr. Baker has over 40 years of experience in the oil and gas industry and has held various positions as geologist, district geologist, Vice President, and President and Chief Operating Officer of a publicly traded oil and gas exploration company.

Mr. Baker was educated at McMaster University, graduating with an Honours degree in Geology. Mr. Baker is a member of the Association of Professional Engineers and Geoscientists of Alberta.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Reserves Committee (Chair)	1/1 - 100%
Corporate Governance and Nominating Committee	2/2 - 100%
Environmental, Sustainability and Safety Committee	2/2 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

12,418	\$848,398
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**JOHN W. ELICK**  
*Independent Director*

**Alberta, Canada**

Director since: March 19, 2013

2022 Votes for: 99.34%

Age: 80

Mr. Elick was the founder and Chief Executive Officer of Cinch Energy Corp., a public oil and natural gas company from November 2001 to November 2009 and the Non-Executive Chairman from November 2009 to July 2011. Prior thereto, Mr. Elick occupied the position of Vice President of Land at Pan East Petroleum Corp., a public oil and natural gas company that he co-founded, from July 1993 to November 1998. Prior to that, he spent 23 years at Amoco Canada Petroleum Company Ltd., ending his time there as Division Landman.

Mr. Elick holds a degree in Business Administration from the College of the Sequoias.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Reserves Committee	1/1 - 100%
Environmental, Sustainability and Safety Committee	2/2 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

27,000	\$1,844,640
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**ANDREW B. MACDONALD**  
*Independent Director*

**British Columbia, Canada**

Director since: March 22, 2011

2022 Votes for: 88.44%

Age: 63

Mr. MacDonald has been an independent businessman since January 2009. Prior thereto, he was Co-Head of Canadian Equities and Portfolio Manager with Phillips, Hager & North Investment Management, where he was responsible for client investments in the energy sector. He began his career as a well site geologist and has worked in the investment business for over 30 years. He worked for 23 years as an investment/portfolio manager and has extensive experience in financial statement analysis, corporate governance, and compensation. He has served on the boards of various charitable organizations including the John Howard Society of Toronto.

Mr. MacDonald graduated with a Bachelor of Arts in Geology from Princeton University.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors (Lead)	5/5 - 100%
Audit Committee	5/5 - 100%
Corporate Governance and Nominating Committee (Chair)	2/2 - 100%
Compensation Committee	2/2 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

75,500	\$5,158,160
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**Compliance with Share Ownership Requirement<sup>2</sup>**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**LUCY M. MILLER**  
*Independent Director*

**Alberta, Canada**

Director since: June 7, 2017

2022 Votes for: 97.29%

Age: 71

Dr. Miller, currently an independent businesswoman, retired as the President and Chief Executive Officer of United Way of Calgary and Area, a position she held from 2012 to 2016. Prior thereto, she was Chief Superintendent of the Calgary Catholic School District. She is also currently serving on the board of the not-for-profit company Canada Powered by Women.

Dr. Miller has served on a number of boards throughout her career, including St. Mary's University (2007-2011), the Calgary Homeless Foundation, Advisory Council for the Haskayne School of Business and the Calgary Poverty Reduction Initiative. Throughout her career, Dr. Miller has also developed expertise in the area of social responsibility, helping organizations have a positive impact in areas of social development, ethical, economic and environmental issues. In 2013, the Women's Executive Network named Dr. Miller as one of Canada's 100 Most Powerful Women and Alberta Venture Magazine named her as one of Alberta's 50 Most Influential People. Dr. Miller was named Calgary's 2016 Citizen of the Year by the City of Calgary.

Dr. Miller received a Doctor of Education degree from the University of Toronto in 2006 and a Master of Education degree from Dalhousie University in 1983.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Corporate Governance and Nominating Committee	2/2 - 100%
Compensation Committee	2/2 - 100%
Environmental, Sustainability and Safety Committee (Chair)	2/2 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

15,136	\$1,034,092
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**JANET L. WEISS**  
Independent Director

**Alaska, U.S.A.**

Director since: June 3, 2020  
2022 Votes for: 99.56%  
Age: 59

Ms. Weiss was the President of BP Exploration (Alaska), Inc. until 2020, a role she held since 2013. Prior thereto, Ms. Weiss was employed by BP America, Inc ("**BP America**") (or its predecessors) since 1985 (and ARCO, prior to its acquisition by BP America in 1999). She also serves on the board of directors of Halliburton Corporation, First National Bank of Alaska and Northwest University.

Ms. Weiss received a Bachelor of Science in Chemical Engineering in 1986 from Oklahoma State University.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Reserves Committee	1/1 - 100%
Environmental, Sustainability and Safety Committee	2/2 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

9,883	\$675,207
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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**RONALD C. WIGHAM**  
Independent Director

**Alberta, Canada**

Director since: March 7, 2016  
2022 Votes for: 98.36%  
Age: 66

Mr. Wigham has been an independent businessman since 2014, when he retired as Vice-Chairman of Peters & Co. Limited ("**Peters & Co.**"), a boutique Calgary investment dealer specializing in oil and gas and oilfield services equities. Before joining Peters & Co. in 1998, Mr. Wigham had been: Vice President, Finance and Corporate Development at Pan East Petroleum Corp., a natural gas exploration company; oil and gas analyst at First Marathon Securities; and commercial litigation partner at Milner Fenerty LLP (now Dentons Canada LLP). From 2012 until its sale in January 2017, Mr. Wigham served as a director of Spur Resources Ltd., a private oil and gas company. He is currently a director of Spur Petroleum Ltd., a private oil and gas company (since January 2017).

Mr. Wigham received a Bachelor of Arts in Finance in 1978 from the Honors College, University of Oregon, and an LLB from the University of Victoria in 1981.

**Board and Committee Membership**

**2022 Attendance**

Board of Directors	5/5 - 100%
Audit Committee	5/5 - 100%
Compensation Committee (Chair)	2/2 - 100%
Reserves Committee	1/1 - 100%

**Number of Common Shares Owned**

**Value of Common Shares Owned<sup>(1)</sup>**

432,566	\$29,552,909
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**Compliance with Share Ownership Requirements**

**Target Date for Share Ownership Requirement Compliance**

Met	N/A
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(1) Monetary value of Common Shares for all director nominees is based on the closing price of the Common Shares of \$68.32 on December 31, 2022.

(2) Pursuant to the Company's Share Ownership Guidelines, new directors have five (5) years from their date of election to meet the applicable thresholds under the Company's Share Ownership Guidelines, as described below under the heading "Director Share Ownership Guidelines".

## Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To Tourmaline's knowledge, other than as disclosed below, no proposed director: (i) is, or has been in the last ten (10) years, a director, chief executive officer or chief financial officer of an issuer (including Tourmaline) that: (a) while that person was acting in that capacity was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under securities legislation, for a period of more than thirty (30) consecutive days; (b) was subject to an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer, which resulted, after that person ceased to be a director, chief executive officer or chief financial officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days; or (c) while that person was acting in the capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; (ii) has, within the last ten (10) years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromises with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets; or (iii) has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Mr. Baker, a director of Tourmaline, served as President and Chief Executive Officer of Nordegg, a private company, until June 10, 2016 and Mr. Rose, the President and Chief Executive Officer and a director of Tourmaline, served as a director of Nordegg until June 10, 2016. On June 16, 2016, a secured creditor of Nordegg was granted an order under the *Bankruptcy and Insolvency Act* (Canada) appointing a receiver to take possession and exercise control over all of Nordegg's current and future assets.

Mr. Wigham, a director of Tourmaline, served as director of Zargon Oil & Gas Ltd. ("**Zargon**"), a publicly traded company on the Toronto Stock Exchange, until September 8, 2020. On September 8, 2020, Zargon filed a Notice of Intention to Make a Proposal under the provisions of Part III, Division I of the *Bankruptcy and Insolvency Act* (Canada) and a trustee was appointed to assist Zargon in its restructuring efforts.

## CORPORATE GOVERNANCE DISCLOSURE

Tourmaline's Board is committed to high standards of corporate governance and believes that sustainable value creation for all shareholders is fostered through a board that is informed and engaged and that functions independently of management. Strong governance is in the best interest of our shareholders and promotes effective decision making at the Board level.

NI 58-101 requires that the Company include the corporate governance disclosure prescribed by Form 58-101F1 in this Circular. The TSX also requires listed companies to provide, on an annual basis, the corporate governance disclosure prescribed by NI 58-101. Below is a description of certain corporate governance practices and principles as adopted by the Company, and the roles and responsibilities of the Board.

### About the Board

The Board is responsible for overseeing management of the Company, as well as the Company's strategy and business affairs with the objective of ensuring that the Company operates as a successful business, optimizing financial returns while effectively managing risk.

The Board carries out its responsibilities directly and through its five (5) Committees. This supports appropriate oversight and accountability for specific aspects of governance, risk and Tourmaline's business activities, and allows the Board to focus more on overall strategy, risk management and other entity level matters. Each Board Committee has primary risk oversight responsibility that is aligned with its areas of focus. At each regular meeting, or more frequently as needed, the Board receives committee updates which may provide additional details on any risk management issues that have arisen

as well as management's response to those issues. For more information regarding the Committees, please see "*Director Committees*" below.

The Board encourages open dialogue and works within a climate of respect and transparency. The Board's duties are described in the Board Mandate, which is set out in "*Schedule A: Mandate of the Board of Directors*". We are committed to diversity on our Board and in executive officer positions and, accordingly, we embrace a broad concept of diversity, encompassing factors including age, race, gender, ethnicity, personal attributes, skills, training, educational background and life experience.

The Board holds regularly scheduled meetings at least quarterly to carry out its responsibilities. In addition, the Board and members of management hold annual strategic planning sessions and revisit strategic planning at each meeting of the Board.

### **Independence**

The Board has determined that all of the director nominees with the exception of Michael L. Rose and Brian G. Robinson are independent within the meaning of NI 58-101. As such, of the ten (10) director nominees standing for election at the Meeting, eight (8) are independent and two (2) are not independent. Michael L. Rose is not independent as he also occupies the position of President and Chief Executive Officer ("**CEO**"). Brian G. Robinson is not independent as he also occupies the position of Vice President, Finance and Chief Financial Officer ("**CFO**"). Although Messrs. Rose and Robinson are not independent, the Board is of the view that it functions, and will continue to function, independently of management and that the Board is organized properly, functions effectively and meets its obligations and responsibilities, including those matters set forth in the mandate of the Board.

### **Chairman and Independent Lead Director**

The Chairman of the Board is Michael L. Rose. The Chairman of the Board is not an independent director as he is the President and CEO of the Company. The Board has a Lead Director, Andrew B. MacDonald, who is an independent director. The Lead Director provides independent leadership to the Board to facilitate the functioning of the Board independently of management of the Company and other non-independent Board members. The Lead Director may consult and meet with any or all of the independent Board members, at the discretion of the members and with or without the attendance of the Chairman, and, as appropriate and without inhibiting direct communication, represent such Board members in discussions with the Chairman on corporate governance and other matters. The Lead Director also assists in the process of conducting director evaluations. The Lead Director ensures that reasonable procedures are in place for directors to consult outside advisors at the expense of the Company in appropriate circumstances, subject to its prior approval, and is to meet annually with independent directors to obtain insight as to where they believe the Board and its Committees could operate more effectively.

The Board has developed written position descriptions for both the Chairman of the Board and the Lead Director. The Board, with the input of the CEO, has also developed a written position description for the CEO. These position descriptions are available on the Company's website at [www.tourmalineoil.com](http://www.tourmalineoil.com).

## Board Skills Matrix

The Board and the Corporate Governance and Nominating Committee use a skills matrix to assess Board composition and ensure it has an appropriate mix of skills and competencies to govern effectively and be a strategic resource for Tourmaline. The results are then evaluated for individual directors and for the Board as a whole. The skills matrix helps us identify gaps and is used when we search for new directors.

Our Board members have significant relevant experience in all facets of our business. The following skills matrix outlines the experience and background of the individual director nominees based on information provided by such individuals:

DIRECTORS	INDUSTRY EXPERTISE	GLOBAL EXPERIENCE	EXECUTIVE LEADERSHIP	ACCOUNTING/ FINANCE	PUBLIC COMPANY BOARD EXPERIENCE	MERGERS AND ACQUISITIONS/ INVESTMENTS	ENVIRONMENT, SOCIAL AND GOVERNANCE
Michael L. Rose	✓	✓	✓	✓	✓	✓	✓
Brian G. Robinson	✓	✓	✓	✓	✓	✓	✓
Jill T. Angevine	✓	–	✓	✓	✓	✓	✓
William D. Armstrong	✓	✓	✓	–	✓	✓	✓
Lee A. Baker	✓	–	✓	–	✓	✓	✓
John W. Elick	✓	✓	✓	–	✓	✓	✓
Andrew B. MacDonald	✓	✓	✓	✓	✓	✓	✓
Lucy M. Miller	–	✓	✓	–	✓	–	✓
Janet L. Weiss	✓	✓	✓	–	✓	✓	✓
Ronald C. Wigham	✓	✓	✓	✓	✓	✓	✓

## Director Committees

The Board carries out its duties and responsibilities directly and through its five (5) standing Committees. All of the Board's Committees are comprised exclusively of independent directors. Messrs. Rose, the CEO, and Robinson, the CFO, do not sit on any of the Board Committees but may attend Committee meetings by invitation. In-camera sessions consisting only of independent directors are held at Board and Committee meetings. The following summarizes the current composition of the Committees:

DIRECTORS	AUDIT COMMITTEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	RESERVES COMMITTEE	ENVIRONMENT, SUSTAINABILITY AND SAFETY COMMITTEE
<b>Independent Directors</b>					
Jill T. Angevine	Chair	–	✓	–	–
William D. Armstrong	–	–	–	✓	–
Lee A. Baker	–	–	✓	Chair	✓
John W. Elick	–	–	–	✓	✓
Andrew B. MacDonald	✓	✓	Chair	–	–
Lucy M. Miller	–	✓	✓	–	Chair
Janet L. Weiss	–	–	–	✓	✓
Ronald C. Wigham	✓	Chair	–	✓	–
<b>Non-Independent Directors</b>					
Michael L. Rose	–	–	–	–	–
Brian G. Robinson	–	–	–	–	–

The Committees were formed based on the need for detailed oversight in key areas. Each Committee has a mandate outlining the responsibilities and duties of the Committee, which are reviewed on an annual basis. Copies of these mandates are available on the Company's website at [www.tourmalineoil.com](http://www.tourmalineoil.com). Each Committee Chair is responsible for determining the meeting agenda, how often the Committee will meet, the conduct of each meeting, and for chairing their Committee meetings, as set out in each Committee mandate.

Committee membership is reviewed annually, and changes are made when appropriate. The Company strives for periodic rotation of Committee members but it is not mandated because there may be reasons to keep an individual director on a certain Committee for a longer period. Changes to Committee membership are based on the recommendations of the Corporate Governance and Nominating Committee.

The key duties and responsibilities of each Committee are described below.

#### *Audit Committee*

The Audit Committee supports the Board in fulfilling its oversight responsibilities regarding the integrity of the Company's accounting and financial reporting; the adequacy and effectiveness of internal controls; the independence and performance of the Company's external auditor; oversight of specific risks; prevention and detection of fraudulent activities and general financial oversight. The Audit Committee is responsible for reviewing the nature and scope of the annual audit; providing oversight of management's reporting on internal accounting standards and practices; the review of financial information, accounting systems and procedures, financial reporting and financial statements. All members of the Audit Committee are independent and financially literate, as defined in National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators. The Audit Committee meets on a quarterly basis. See "*Audit Committee Information*" in this Circular.

The Audit Committee receives regular, comprehensive reports from management on the Company's risk management framework. Among other things, the Company's Chief Legal Officer, External Affairs and its Corporate Secretary regularly update the Audit Committee on legal matters, fraud risk, information security and cybersecurity risks as well as Company initiatives implemented to mitigate those risks.

#### *Compensation Committee*

The Compensation Committee supports the Board in fulfilling its oversight responsibilities regarding human resources policies, executive compensation and executive succession and development. In addition, the Committee is responsible for reviewing and approving corporate goals and objectives relevant to the compensation of the CEO and for evaluating his performance in connection with determining his compensation, periodically reviewing and administering the Option Plan, evaluating and recommending other incentive plans (including, in 2022, the RSU Plan (as defined below)) as well as employee savings plans, monitoring risks relating to executive and employee compensation, and reviewing and approving bonuses paid to officers and employees of the Company. All members of the Compensation Committee are independent, and the Committee meets approximately two (2) times per year.

#### *Corporate Governance and Nominating Committee*

The Corporate Governance and Nominating Committee supports the Board in fulfilling its oversight responsibilities by developing and recommending a set of corporate governance principles, identifying and recommending director candidates and establishing and ensuring compliance with the Company's Code of Business Conduct and Ethics. The Committee monitors best governance practices with a view to maintaining the highest standards of corporate governance for the Company. It periodically reviews the composition of the Board and its Committees to ensure appropriate composition and independence and it assesses the effectiveness of the Board as a whole. The Committee is responsible for assessing succession and resource planning risks facing the Company and identifying ways in which to mitigate any such risks to provide for timely and effective continuity of leadership for the Company. The Committee oversees the appropriate resolution of any conflict of interest involving officers, directors or shareholders that has been directed to the Committee. All

members of the Corporate Governance and Nominating Committee are independent, and the Committee generally meets two (2) to three (3) times per year.

#### *Reserves Committee*

The Reserves Committee supports the Board in fulfilling its oversight duties relating to the disclosure of information with respect to oil and gas activities, reviewing procedures for providing information to the independent reserves evaluator, reviewing the appointment (and any change in appointment) of the independent evaluator, and generally reviewing all matters relating to the preparation and public disclosure of estimates of the Company's reserves. All members of the Reserves Committee are independent and have experience in interpreting oil and gas reserve reports. The Committee meets once per year, and certain members of the Committee regularly meet with key members of management in advance of this meeting.

#### *Environment, Sustainability and Safety Committee*

The Environment, Sustainability and Safety Committee supports the Board in fulfilling its oversight duties relating to the development, implementation and monitoring of the Company's policies and practices with respect to matters concerning the environment, safety and sustainability. In this regard, the Committee is responsible for reviewing the Company's fundamental policies and internal controls pertaining to environment, health and safety, and sustainability and reviewing procedures designed to minimize environmental, occupational health and safety and other risks to asset value and mitigate such risks. The Committee is also responsible for verifying that management proactively identifies and monitors the impact of proposed legislation and other emerging issues in environment, safety and sustainability areas, as well as other emerging issues, trends and public opinion which could impact the Company's activities, plans, strategies or reputation and recommending, where significant, appropriate responses to the Board. In addition, the Committee is responsible for confirming that business is conducted in a socially responsible, ethical and transparent manner and that management engages, respects and supports the communities in which the Company works. All members of the Environment, Sustainability and Safety Committee are independent, and the Committee generally meets at least twice per year.

#### **Director Meeting Attendance**

In 2022, the attendance rate at Board meetings was 100%. The attendance of the Board members at Board and Committee meetings in 2022 are set forth under each proposed director's biography.

#### **Meetings of Independent Directors**

At the end of or during each meeting of the Board, the independent members of the Board are asked by the Lead Director whether an in-camera meeting is advisable and if so, members of management of the Company and the non-independent directors of the Company who are present at such meeting leave the meeting in order for the independent directors to meet separately. In addition, other meetings of the independent directors may be held from time to time if required. The independent directors each take leadership roles on various issues as the need arises. Further, as with all directors, the independent directors may engage external advisors, including outside legal counsel, at the expense of the Company in appropriate circumstances, subject to the approval of the Board, and have complete access to appropriate personnel of the Company in order to secure all information necessary to fulfill their duties.

#### **Orientation and Continuing Education**

As new directors join the Board, they are provided with, among other things, corporate policies, historical information about the Company, information on the Company's performance and its strategic plans and details of the responsibilities entailed in carrying out their duties. The Board believes that these procedures are a practical and effective approach in light of the Company's particular circumstances and the experience and expertise of the directors. New members of the Board are invited to meet with each of the directors as well as the officers and key employees of the Company to familiarize themselves with the Company's business, strategy and operations, and to visit Company field sites to gain familiarity with the operational environment.

The Company regularly provides the directors with updates on business, operations and affairs of the Company, including new and ongoing prospects, the Company's performance relative to its peers, market outlooks and related developments that could impact the Company's operations and financial results. Updates are conducted at least quarterly by senior management with responsibility in the relevant areas. During 2022, such updates to the Board and its committees included merger and acquisition updates, cybersecurity preparedness briefings, five-year planning, cost reduction initiatives, market diversification strategy, global LNG updates, free cash flow allocation strategy, technology development, exploration initiatives, First Nations engagement updates, environmental performance improvement initiatives and environmental, social and governance themes, as well as disclosure and regulation.

In addition, from time to time, presentations and seminars are provided to the Board or its Committees on recent accounting developments as well as other topics receiving increased focus in the industry. Recent examples include presentations from the Company's external consultants on the effectiveness of the Company's internal controls, discussions on accounting standards as well as cybersecurity issues affecting the Company. The Company also encourages directors to attend, enrol or participate in courses and/or seminars dealing with, but not limited to, industry specific topics, financial literacy, corporate governance, environmental and social responsibility and other related matters. Each director of the Company has the responsibility for ensuring that he or she maintains the skills and knowledge necessary to meet his or her obligations as a director.

During 2022, the directors attended or participated in internal and external continuing education opportunities as follows:

EVENT/TOPIC	HOST/PRESENTER	MONTH	LENGTH	ATTENDEES
Annual Investment Outlook 2022: Making Money in Volatile Markets	The Empire Club of Canada	January	1 hour	Lucy M. Miller
Outlook 2022	CIBC	January	0.5 hours	Lucy M. Miller
The Finance Sector's Role in Driving Sustainable Development	World Business Council for Sustainable Development	January	1 hour	Ronald C. Wigham
Peters & Co Midwinter Energy Conference	Peters & Co.	January	2 days	Michael L. Rose Brian G. Robinson Ronald C. Wigham
Western Institutional Investor Conference	CIBC	January	5 hours	Michael L. Rose Brian G. Robinson
Exploring Technology of the Energy Transition	BP Exploration	January	1 hour	Janet L. Weiss
Corporate Governance, Shareholder Activism and Hostile M&A	Norton Rose Fulbright LLP	February	1 hour	Jill T. Angevine Lucy M. Miller
What's New in '22: Trends in Canadian and Global Energy	Tudor Pickering Holt & Co. ("TPH")	February	1 hour	Jill T. Angevine
Governing in a Data Powered World	Institute of Corporate Directors ("ICD")	February	1 hour	Jill T. Angevine
Reshaping the Future: The Opportunity Squeeze	Mercer	February	1 hour	Jill T. Angevine
Cultivating a Future Ready Mindset	CPA Alberta	February	1 hour	Jill T. Angevine
Enterprise Risk Management and ESG as Enablers	CPA Alberta	February	1 hour	Jill T. Angevine
Best Practices When it Comes to ESG	Energy Council	February	0.5 hours	Ronald C. Wigham
Energy Financing and Investment Strategies in Canada	Energy Council	February	0.5 hours	Ronald C. Wigham
2022 Global Risks Report	Mercer	March	1 hour	Jill T. Angevine
Women's Day Panel Discussion: 2022 Outlook and Priorities	CIBC	March	2 hours	Lucy M. Miller
The Energy Exchange	Navigator and Gowling WLG	March	3 hours	Lucy M. Miller
Discussion on Say on Climate	Canadian Coalition for Good Governance	March	1 hour	Jill T. Angevine
What all Directors Need to Prepare for the Transition to Net Zero	ICD	March	1 hour	Jill T. Angevine
SEC Climate Disclosure Deep Dive	Diligent Boards	March	1 hour	Lucy M. Miller
Emerging Technologies to Watch (including carbon capture)	The Economist	March	1 hour	Ronald C. Wigham
Scotia Howard Weil Energy Conference	Scotiabank	March	4 hours	Michael L. Rose Brian G. Robinson
Various	The Alliance Meet Alaska	March	3.5 hours	Janet L. Weiss
Geologic Modelling Fundamentals	Society of Economic Geologists	March	1 hour	Lee A. Baker
Various	Canadian Gas Dialogues	March	4 hours	Michael L. Rose Brian G. Robinson

EVENT/TOPIC	HOST/PRESENTER	MONTH	LENGTH	ATTENDEES
Federal Budget Review	KPMG	April	1 hour	Andrew B. MacDonald
Buy Canada Symposium	Cormark Securities	April	2 hours	Andrew B. MacDonald
Leading your Climate Change Action Plan	ICD	April	2 hours	Jill T. Angevine
The Energy Equation	TPH	April	1 hour	Jill T. Angevine
The Board's Role in CEO Transitions	ICD	April	1 hour	Jill T. Angevine
Leith Wheeler Outlook 22	Leith Wheeler	April	1 hour	Ronald C. Wigham
Is the Russian Invasion Forcing Investment into Oil & Gas?	World Energy Assembly	April	1 hour	Ronald C. Wigham
Natural Gas Momentum	Michael Oliver	April	0.5 hours	Ronald C. Wigham
Back in Black Conference	Canaccord Genuity	April	7 hours	Michael L. Rose Brian G. Robinson
Leading with Courage	ICD	May	8 hours	Jill T. Angevine
Hotter 'N Hell Energy Conference	TPH	May	8 hours	Michael L. Rose Brian G. Robinson
Various	Alaska Sustainable Energy Conference	May	4.5 hours	Janet L. Weiss
Energy and Power Conference	RBC	June	2 days	Michael L. Rose Brian G. Robinson
Human Capital's Role in the Canadian Economy: Investing in Canada's Future	The Empire Club of Canada	June	1 hour	Lucy M. Miller
Smart Driving Cars Summit	Princeton University	June	1 day	Andrew B. MacDonald
Energy Macro Outlook and Sentiment Takeaways	RBC	June	1 hour	Ronald C. Wigham
Conversation on Canadian Liability Trading, Energy	RBC	June	1 hour	Ronald C. Wigham
Various Presentations	GeoConvention 2022	June	3 days	Lee A. Baker
Keynote Address	GeoConvention 2022	June	1.5 hours	Michael L. Rose
Putting Stakeholder Relations at the Heart of ESG Management	Diligent Boards	July	0.5 hours	Lucy M. Miller
Market Volatility	RBC	July	1 hour	Lee A. Baker
Stampede Energy Conference	TD	July	1 hour	Michael L. Rose Brian G. Robinson
Scotia Stampede Round Table	Scotiabank	July	1 hour	Michael L. Rose Brian G. Robinson
Mid-Year Webinar: The Rhyming of History and the Market	CIBC	July	1 hour	Lee A. Baker
Exploring Purpose in a Polarized World	Canadian Centre for the Purpose of the Corporation	August	1 hour	Lucy M. Miller
Alternative Fuel Economics	Scotiabank	September	1 hour	Jill T. Angevine
Trends in Director Compensation	Diligent Boards	September	0.5 hours	Lucy M. Miller
When Innovation Requires Board Oversight	Diligent Boards	September	0.5 hours	Lucy M. Miller

EVENT/TOPIC	HOST/PRESENTER	MONTH	LENGTH	ATTENDEES
Fall Energy Conference	Peters & Co	September	2 days	Michael L. Rose Brian G. Robinson Andrew B. MacDonald
Research Analyst Update	Real Estate Canada	September	1.5 hours	Brian G. Robinson
Future Directions	Navigator	October	0.5 hours	Lucy M. Miller
The Boards Role in Sustainability	Board Ready Women	October	1 hour	Jill T. Angevine
Highlights from PwC's Annual Corporate Directors Survey	Diligent Boards	October	0.5 hours	Lucy M. Miller
Managing Risks of ESG Reporting	Bennett Jones LLP	October	1 hour	Jill T. Angevine
Road to 2023	Navigator	October	1 hour	Lucy M. Miller
Sustainable Leadership	Russell Reynolds Associates	October	1 hour	Jill T. Angevine
Sproule Reserves Training Session	Sproule	October	3 hours	Jill T. Angevine
Investing in the North Sea is the Most Effective Route to Low-Carbon Oil and Gas Production	Energy Council	October	1 hour	Ronald C. Wigham
Canadian Energy Symposium	Goldman Sachs	October	5 hours	Michael L. Rose Brian G. Robinson
Careers in Economic Geology	Society of Economic Geologists	November	1 hour	Lee A. Baker
The Looming Battery Battle	Princeton University	November	1 hour	Andrew B. MacDonald
Bridging the Diversity Gap	The Empire Club of Canada and Civic Action	November	1 hour	Lucy M. Miller
The Board's Role in Human Capital Management	Diligent Boards	November	0.5 hours	Lucy M. Miller
The Big Shift: How Boardrooms are Evolving - and How Leaders Should Respond	Diligent Boards	November	0.5 hours	Lucy M. Miller
A Pragmatic Approach to Delivering on a Cleaner Energy Future	The Empire Club of Canada	November	1 hour	Lucy M. Miller
How do you Solve a Problem like Xi's China?	Navigator	November	0.5 hours	Lucy M. Miller
Recruiting the Right Director Candidate for your Board	Diligent Boards	November	0.5 hours	Lucy M. Miller
Yield Hogs Conference	Capital Group	November	1 hour	Michael L. Rose Brian G. Robinson
CPA Ethics Training	CPA Canada	November	4 hours	Brian G. Robinson
Fall 2022 Economic Outlook	Bennett Jones LLP	December	1 hour	Jill T. Angevine
Ring of Fire Progress Update	The Empire Club of Canada	December	1 hour	Lucy M. Miller
OPEC+, EU Sanctions & Price Caps, Russia/Ukraine Geopolitical Update	RBC	December	1 hour	Ronald C. Wigham
Capital One Securities Energy Conference	Capital One	December	7 hours	Michael L. Rose Brian G. Robinson

## **Ethical Business Conduct**

The Company has adopted a Code of Business Conduct and Ethics for directors, officers, employees and consultants (collectively, "**Personnel**") and a separate Code of Business Conduct and Ethics for Senior Officers (together, the "**Codes**"). The Codes reflect the Company's commitment to a culture of honesty, integrity and accountability and outline the basic principles and policies with which all Personnel are expected to comply. The Company recognizes that the cooperation and commitment of all Personnel is necessary for continued success and the cultivation and maintenance of its reputation as a good corporate citizen.

The Codes also address a number of important topics, including conflicts of interest, corporate opportunities, confidentiality, protection and proper use of company assets, insider trading, fair dealing, compliance with laws, rules and regulations, compliance with environmental laws, discrimination and harassment, safety and health, accuracy of company records and reporting, use of email and internet services, political activities and contributions, illicit payments, payments to officials, the role of directors in the Codes, and compliance procedures.

The Board monitors compliance with the Codes by requiring that all Personnel affirm in writing his or her agreement to abide by the applicable Code when commencing service with the Company. Compliance is also reaffirmed annually by all individuals. In addition, management provides reports on compliance with the Codes to the Board on an annual basis.

A copy of the Code of Business Conduct and Ethics for directors, officers, employees and consultants may be obtained from the Secretary of the Company, 403-266-5992 and is also available on the Company's website at [www.tourmalineoil.com](http://www.tourmalineoil.com).

In addition to the Codes, the Board has adopted a "Whistleblower Policy" which provides employees and consultants of the Company with a mechanism by which they may raise concerns including (but not limited to) falsification of financial records, unethical conduct, harassment and theft through a confidential, anonymous process.

## **Board Assessments**

The Corporate Governance and Nominating Committee is responsible for evaluating the effectiveness of the Board, Committees and individual directors. The Committee engages in a formal evaluation process whereby all directors complete a formal board evaluation questionnaire on an annual basis. In 2022, the non-executive board members also participated in a formal peer-to-peer evaluation process whereby each director was evaluated by his or her peers on the Board. The results of these evaluations are reviewed and analyzed by the Lead Director and discussed at a meeting of the Corporate Governance and Nominating Committee, as well as with the Board and with individual directors, if required. The formal board evaluation questionnaire and peer-to-peer evaluation is facilitated by external counsel on an anonymous basis to further support the integrity of the process. The results of these evaluations are used to identify ways to continuously improve the effectiveness of the Board.

## **Term Limits and Board Renewal**

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

However, when considering nominees for the Board, the Corporate Governance and Nominating Committee reviews the skills and experience of the current directors with the objective of recommending a group of directors that can best perpetuate the Company's success and represent shareholder interests through the exercise of sound judgment and the application of its diversity of experience. The Corporate Governance and Nominating Committee also considers both the term of service and age of individual directors, the average term of the Board as a whole and turnover of directors over the prior years when proposing nominees for election of the directors of the Company. In addition, the Corporate Governance and Nominating Committee also assesses the knowledge, experience and character of all nominees to the Board and other factors such as independence of the directors to ensure that the Board is operating effectively and independently of management. The Board also considers whether the individual will enhance the diversity of views and experiences available to the Board in its deliberations.

The Board has experienced turnover during the past few years. In the last six (6) years, two (2) directors have retired and two (2) new directors have been elected or nominated for election, each of whom bring valuable skills and experience to the Company and the Board. The Board's tenure profile balances experience, diversity and the need for Board renewal.

### **Nomination of New Directors**

The Corporate Governance and Nominating Committee is responsible for recommending suitable candidates for nominees for election or appointment as director and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Corporate Governance and Nominating Committee takes into account: (i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess, including diversity of such competencies, skills and backgrounds; (ii) the competencies and skills that the Board considers each existing director to possess; (iii) the competencies and skills that each new nominee will bring to the Board; and (iv) whether each new nominee can devote sufficient time and resources to his or her duties as a member of the Board.

When potential candidates are identified, they are screened to ensure that they possess the requisite qualities of integrity, business and professional experience, independence and other skills. The potential candidate's other time commitments are also considered to ensure that the candidate is able to fulfill his or her obligations as a director. Potential candidates are identified through suggestions by members of the Board, industry contacts and, in certain cases, professional search agencies.

The Corporate Governance and Nominating Committee believes that the Board should be comprised of directors with a broad range of skills, experience and expertise and utilizes a skills matrix to identify those areas which are necessary for the Board to carry out its mandate effectively. See the Company's "Board Skills Matrix" in the previous section.

The Corporate Governance and Nominating Committee also reviews on a periodic basis the composition of the Board and analyzes the needs of the Board and recommends nominees who meet such needs.

### **Succession Planning**

The Board has delegated responsibility for oversight of succession planning with respect to the Company's senior leadership to the Corporate Governance and Nominating Committee. The succession planning process is focused on ensuring that the Company has high performing individuals in critical roles, together with a strong talent pool of continuously developing individuals progressing throughout the organization. The Company's succession planning process involves working with senior officers to identify high potential candidates, selecting executive development opportunities and evaluating performance, as well as considering contingency plans in place for emergencies involving the CEO and other executive officers. In addition to the contingency plans in place for such emergencies, each executive officer in a critical role, including the CEO, is responsible for identifying one or more individuals within the Company capable of assuming such officer's duties, if required for any reason.

Tourmaline has a culture of developing strong leaders and promoting from within the organization. Four (4) of the Company's ten (10) executive officers have been promoted to such positions within the last five (5) years, in each case having been with the organization and mentored by their predecessors for several years. The Committee focuses on providing opportunities for a diverse group of individuals, including women, to excel within the organization.

### **Diversity – Board and Executive Officers**

Tourmaline is committed to diversity on its Board, in executive officer positions and throughout the organization. The Board recognizes that diversity among its directors will support balanced decisions and debate which, in turn, will enhance decision making by the Board while considering the different perspectives of the members of the Board. The Board adopted a formal written diversity policy in 2018 (the "**Diversity Policy**") and in 2020, the Board approved revisions to the Diversity Policy to incorporate a target of at least 30% representation by women on the Board by no later than 2021. The Board achieved this target in 2020. Three (3) of the director nominees up for election at the Meeting are women, which represents 38% of the independent director nominees and 30% of all director nominees.

The Corporate Governance and Nominating Committee reviews Board composition each year, and in reviewing such composition, it considers the benefits of diversity in order to maintain an optimum mix of skills, knowledge and experience on the Board. When selecting candidates for the Board, the Corporate Governance and Nominating Committee considers candidates that bring a diversity of background, education, previous board or executive experience as well as industry or related expertise. The Corporate Governance and Nominating Committee's considerations in this regard, consistent with the Diversity Policy, also include achieving an appropriate level of diversity, taking into account factors such as skills, business and other experience, education, gender, age, ethnicity and geographic location. This includes consideration of potential nominees with diversity of background beyond gender, such as Aboriginal status, visible minorities and persons with disabilities. The Corporate Governance and Nominating Committee reviews the Company's progress in achieving these objectives and also refers to the objectives when selecting new director candidates and as part of the annual evaluations of Board and Committee performance and effectiveness.

The Board and the Company are committed to ensuring a diverse and inclusive culture across the organization, including at the executive level. The Board encourages and supports the Company in its efforts, including seeking external independent advisory services as appropriate, to foster a collaborative and innovative workforce. The Company has not imposed quotas or targets regarding the representation of women in executive officer positions, however, the Board does understand and appreciate the importance of gender equality and diversification and encourages the consideration of women who have the necessary skills, knowledge, experience and character when considering potential candidates for executive officer positions. Three (3) of the last four (4) individuals appointed to officer roles within the Company have been women.

Diversity is represented at all levels of our Company. The table below provides a breakdown of women representation at varying levels at Tourmaline as well as a comparison to the Company's peer group (the "**Peer Group**") (see "*Compensation Discussion and Analysis*" section for a list of companies comprising the Peer Group). Three (3) of the director nominees up for election at the Meeting are women, which represents 38% of the independent director nominees and 30% of all director nominees, compared to the Peer Group, which has a 30% representation by women on the Board. This percentage is consistent with the specific targets included in Tourmaline's Diversity Policy and its commitments to the promotion of diversity among its board members. In addition, three (3) of the Company's ten (10) officers are women, resulting in a 30% representation by women among officers, compared to the Peer Group, which has 14% representation by women in this category.

CATEGORY	TOTAL	NUMBER OF WOMEN	TOU - % WOMEN	PEERS - % WOMEN
Board of Directors (standing for election or re-election)	10	3	30%	30%
Independent Board of Directors (standing for election or re-election)	8	3	38%	33%
Officers	10	3	30%	14%

## Board Interlocks

While the Board's mandate does not expressly prohibit interlocking board positions, the Board's approach to board interlocks is aligned with the Canadian Coalition of Good Governance principles limiting the number of the same public companies two board members may sit on. The Board considers board interlocks and material relationships which may affect independence when considering new candidates and approving requests to join additional boards. There are currently no board interlocks among the director nominees, other than in connection with Michael Rose and Brian Robinson's roles as directors of Topaz, of which the Company owned approximately 31.3% of the outstanding shares at December 31, 2022. Pursuant to a Governance Agreement between Tourmaline and Topaz, Tourmaline has the right to nominate certain directors to the board of directors of Topaz for so long as Tourmaline holds a sufficient number of the common shares of Topaz. Mr. Rose and Mr. Robinson are the current Tourmaline nominees sitting on the board of directors of Topaz, having been nominated under the Governance Agreement. Mr. Rose and Mr. Robinson are not permitted to vote on any matter or transaction which involves both Tourmaline and Topaz. See "*Conflicts of Interest and Related Party Transactions*" below.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

NAME OF DIRECTOR	NAME OF OTHER REPORTING ISSUERS
Jill T. Angevine	Advantage Energy Ltd. (TSX) Ero Copper Corp. (TSX, NYSE)
Brian G. Robinson	Boardwalk Real Estate Investment Trust (TSX) Topaz Energy Corp. (TSX)
Michael L. Rose	Topaz Energy Corp. (TSX)
Janet L. Weiss	Halliburton Corporation (NYSE)

## Risk Oversight

The Board believes that risk oversight is one of its primary responsibilities. The Board has demonstrated this by dedicating time at Board and Committee meetings to identify, manage, report and mitigate risks including strategic, financial, operational, environmental, regulatory, cyber and reputational risks. The Board believes that a fundamental part of risk management is understanding the risks that the Company faces, monitoring these risks, and adopting appropriate controls and mitigation activities for such risk. Management is responsible for the identification of key business risks and the potential impact of those risks on the Company, providing for appropriate ongoing oversight of these risks throughout the organization and the effective enforcement of appropriate mitigation through policies and procedures. The Board's risk oversight process builds upon management's risk identification assessment and mitigation processes, which include reviews of long-term strategic and operational planning; executive development and evaluation; code of conduct compliance; regulatory compliance; safety and environmental compliance; financial reporting and controllership; and information technology and security. The Board discusses enterprise risks with management on a regular basis, including as part of its annual strategic planning process, annual budget review and approval process, capital plan review and approval process, and through reviews of compliance issues in the applicable committees of our Board, as appropriate. As part of the risk oversight process, specific risks are assigned to the Board Committees for ongoing oversight pursuant to each Committee's mandate. The table below illustrates how the Board and its Committees monitor risk across the Company.

As it relates to information security risk, the Company recognizes that maintaining the security and integrity of information and systems under our control is a priority amongst our information security risk management efforts. The Company relies heavily on the use of, and access to, information technology for its corporate and operational needs. Information security risk is viewed as a Company-wide risk subject to control and monitoring at various levels of management throughout the Company. The Board, along with the help of its Committees and management, is responsible for the oversight of the Company's internal controls regarding information security, emerging cybersecurity developments and threats, as well as the Company's strategy to mitigate information security and cybersecurity risks. The Company has detailed plans in place

to manage incident response, business continuity and disaster recovery in the event of security breaches or other system disruptions. Both prior to, and following the start of, the COVID-19 pandemic, the Company invested significant resources into developing a robust IT platform leveraging cloud technologies to provide flexibility, accessibility and stability. This has allowed our employees to have access to our systems regardless of their location. With this increased access also comes additional cybersecurity risk which has also been taken into consideration and is continuously being mitigated through monitoring, testing and education. The Company has an active cybersecurity awareness and compliance program, and all employees are subject to regular training and testing to ensure compliance. Additionally, in 2022, the Company undertook a review of its existing cyber incident response plans and in connection with this review, engaged external legal counsel and other third-party experts to update existing policies and procedures to ensure that the Company is in a strong position to respond swiftly in the event of a cyber security incident. The Company also performed a tabletop exercise involving key employees and external experts as part of our training with respect to the significant efforts invested in our cyber preparedness in 2022. In connection with our cyber risk mitigation efforts, the Company has engaged external cybersecurity experts to assess risk exposure, enhance controls, and assist with monitoring and mitigation activities related to these risks and has also retained cybersecurity incident response experts to ensure immediate support is available in the event of a cybersecurity breach or incident. The Company obtained insurance for cyber-related losses in 2022. To date, the Company has not experienced any material security breaches and substantial efforts continue to be made to continue to mitigate this risk in the future.

COMMITTEE AREA OF RISK RESPONSIBILITY				
AUDIT COMMITTEE	COMPENSATION COMMITTEE	CORPORATE GOVERNANCE AND NOMINATING COMMITTEE	RESERVES COMMITTEE	ENVIRONMENT, SUSTAINABILITY AND SAFETY COMMITTEE
Oversees financial risks and exposures, including commodity price, hedging, insurance coverage as well as disclosure risk and cyber/information security risk	Oversees risks relating to employee and executive compensation and human resources	Oversees risks relating to governance, succession and resource planning	Oversees risks relating to the reporting of the Company's oil and gas reserves and producing activities	Oversees risks relating to safety, health, environmental performance, sustainability and corporate social responsibility

### Environmental and Sustainability Oversight

Tourmaline and its Board are committed to conducting business in an environmentally responsible manner and to protecting the health and safety of employees, contractors, stakeholders and the public. Management continually monitors and reviews performance in these areas relative to corporate objectives and regulatory requirements and strives for continual improvement.

In 2017, recognizing the more prominent role that environmental and sustainability factors are playing in the Company's business, the Board modified its structure to create an Environment, Sustainability and Safety Committee. This new Committee is responsible for, among other things, reviewing the Company's fundamental policies and internal controls pertaining to environment, health and safety, and sustainability and reviewing procedures designed to minimize environmental, occupational health and safety and other risks to asset value and mitigate such risks. It is also responsible for confirming that business is conducted in a socially responsible, ethical and transparent manner and that management engages, respects and supports the communities in which the Company works.

In December 2022, Tourmaline published its 2021 Sustainability Report which outlines Tourmaline's activities and performance in areas including environment, health and safety and community engagement. A copy of this Sustainability Report can be obtained on the Company's website at <https://sustainability.tourmalineoil.com>. The website is updated as new data becomes available. Our most recent Sustainability Report provides disclosure consistent with the recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD) and incorporates discussion points and metrics outlined by the Sustainability Accounting Standards Board (SASB).

## Shareholder Engagement

The Company and the Board believe in the importance of regular and open dialogue with its shareholders. To that end, the Company's executive team engages with both institutional and retail shareholders, sell-side research and sales representatives, government officials and other interested stakeholders throughout the year. This is achieved through in-person meetings, participation in industry-based institutional conferences, through the hosting of quarterly conference calls and an annual meeting both with open question and answer sessions. The Company also provides investor relations contact information and responds to inquiries from stakeholders in a timely manner. In addition, any shareholders or other stakeholders who wish to communicate with the Board or any member thereof directly may do so by emailing the Board at [board@tourmalineoil.com](mailto:board@tourmalineoil.com). In 2019, the Company hired a senior investor relations and capital markets professional on a full-time basis to assist with enhancing the Company's investor relations and shareholder engagement activities.

In 2022, members of the Company's senior management team, including the President and CEO, CFO, Chief Legal Officer and/or the Manager of Capital Markets, met with shareholders on the following occasions:

EVENT	STAKEHOLDERS AND SUBJECT OF DISCUSSION	NUMBER OF ENGAGEMENTS IN 2022
Non-deal roadshows, in-person meetings, calls and discussions	Engagement with institutional investors to provide public information on the Company's business, operations, financial outlook and environmental and sustainability initiatives.	203
Quarterly conference calls	Engagement with the broader investment community to review the most recently released financial and operational results and to provide opportunities for questions and answers.	4
News releases	Released to the media throughout the year to report on any material information with respect to the Company.	10
Broker-sponsored conferences and reverse road shows	Engagement with investors and industry peers to provide public information on the Company's business, operations and financial outlook.	14
Annual shareholder meeting	Engagement with shareholders and provide an overview of the Company's operational and financial results as well as updates on strategy and to provide opportunities for questions and answers.	1

## Strategic Planning

The Board is actively involved in the strategic planning process and oversees the development and achievement of the Company's strategic goals. The Board and management attended strategy sessions both in June 2022 and in February 2023. A significant portion of time is set aside at each Board meeting to revisit strategic planning. During these strategy updates, management presents a review of exploration and production activities, financial forecasts, cost-reduction initiatives, market and commodity price outlooks, long-term budgeting, capital markets strategy, LNG market updates, acquisition and divestment opportunities, regulatory developments, human resource initiatives, technology development, exploration initiatives, First Nations engagement updates, and environmental performance and objectives. The Board also discusses any potential adjustments to the strategic plan in light of the current business environment. See "*Orientation and Continuing Education*" earlier in this section of the Circular.

## Conflicts of Interest and Related Party Transactions

In accordance with the ABCA, directors who are a party to, or are a director or an officer of a person which is a party to, a material contract or material transaction with the Company, or a proposed material contract or proposed material transaction with the Company, are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. The Corporate Governance and Nominating Committee has responsibility for overseeing the appropriate resolution of any conflict of interest between or among an officer, director, or shareholder, which is properly directed to such committee by the Chair of the Board, a director, a shareholder, the Board, the external auditors, or an officer of the Company. In addition, in certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party. These legal requirements are reinforced by Tourmaline's Code of Business Conduct and Ethics which describes in detail the duties, responsibilities and limits with respect to conflicts of interest and related party transactions applicable to employees, officers and directors.

At December 31, 2022, Tourmaline owned 31.3% of the outstanding common shares of Topaz. The Company has entered into a Governance Agreement with Topaz, pursuant to which Tourmaline has certain contractual rights relating to, among other things, the nomination of directors of Topaz. In addition, Tourmaline has entered into commercial agreements with Topaz, including in connection with royalty interests granted to Topaz and non-operated ownership interests in certain Tourmaline midstream assets, each of which are described in Tourmaline's public disclosure. Michael Rose and Brian Robinson are directors of Topaz and are also directors and officers of Tourmaline. Each director of Topaz, including nominees of Tourmaline (currently Mr. Rose and Mr. Robinson), is expected to comply with all applicable provisions of the ABCA relating to conflicts of interest. Specifically, all material transactions between Tourmaline and Topaz are reviewed and approved exclusively by the independent directors of each company (specifically excluding Mr. Rose and Mr. Robinson). In accordance with the applicable provisions of the ABCA and with Company policies for both Topaz and Tourmaline, Mr. Rose and Mr. Robinson are not permitted to vote (in connection with their roles as directors of either Tourmaline or Topaz) on any transaction between Tourmaline and Topaz. Tourmaline and Topaz are subject to all applicable corporate and securities laws with respect to related party transactions, conflicts of interest and use of material non-public information. Commercial transactions between Tourmaline and Topaz are completed at multiples and rates which reflect market conditions at the time of such transactions.

## COMPENSATION DISCUSSION AND ANALYSIS

The following describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the President and CEO, the Vice President, Finance and CFO, and the three (3) highest compensated executive officers other than the CEO and the CFO (collectively with the CEO and the CFO, the "**Named Executive Officers**" or "**NEOs**") and the directors for the financial year ended December 31, 2022. The NEOs based on 2022 compensation levels are as follows:

Michael Rose, Chairman, President and CEO;  
Brian Robinson, Vice President, Finance and CFO;  
Sherra Aspin, Vice President, Marketing ("**VP Marketing**");  
Colin Frostad, Vice President, Exploration ("**VP Exploration**"); and  
Earl McKinnon, Vice President, Operations ("**VP Operations**").

### General

Based on recommendations made by the Compensation Committee, the Board makes decisions regarding salaries, annual bonuses and equity incentive compensation for the executive officers and approves corporate goals and objectives relevant to the compensation of the CEO and the other executive officers. The Board solicits input from the CEO and the Compensation Committee regarding the performance of the Company's other executive officers. The Board also administers incentive plans, including the RSU Plan and the Share Option Plan, with the assistance of the Compensation Committee.

### Compensation Governance

#### Composition of the Compensation Committee

The Compensation Committee is currently comprised of Ronald C. Wigham (Chair), Andrew B. MacDonald and Lucy M. Miller, all of whom are "independent" directors for the purposes of National Policy 58-201 – *Corporate Governance Guidelines*. The relevant education and experience of each member of the Compensation Committee that enables such member to make decisions on the suitability of the Company's compensation policies and practice is set forth under the heading "*Information Regarding Proposed Directors*" in this Circular.

#### Committee Mandate

The Board has adopted a mandate for the Compensation Committee, which provides that it is the Committee's responsibility to formulate and make recommendations to the Board in respect of compensation issues relating to directors, officers and employees of the Company. See "*Corporate Governance Disclosure – Compensation Committee*" for more information regarding the duties of the Compensation Committee.

The Compensation Committee is required to be comprised of at least three (3) directors, or such greater number as the Board may determine from time to time. The members of the Compensation Committee are required to be independent, as such term is defined for this purpose under applicable securities requirements. Pursuant to the mandate and terms of reference of the Compensation Committee, meetings of the Committee are to take place at least one (1) time per year and at such other times as the Chair of the Committee may determine.

#### Key Compensation-Related Governance Practices

The following table summarizes the key features of the Company's compensation structure, which are important individually and, when taken together, demonstrate the Compensation Committee's commitment to strong governance, risk management, shareholder alignment and pay for performance philosophy.

KEY GOVERNANCE PRACTICES	OBJECTIVES		
	RISK MITIGATION	RETENTION	SHAREHOLDER ALIGNMENT
<b>Compensation Structure Reflects Responsibilities and Compensation Risk of Executive Officers</b>			
The compensation structure for the executive officers, which provides more at-risk compensation, reflects their responsibilities and overall impact on Company performance.	✓	✓	✓
<b>Dedicated Compensation Committee</b>			
The Board has created a separate, independent and engaged Compensation Committee with the necessary skills, knowledge and experience to make methodical and sound decisions as they relate to compensation. The Compensation Committee's risk management practices ensure that the Company's compensation plan encourages and rewards the right behaviors.	✓		✓
<b>Share Ownership Guidelines</b>			
All officers and directors of the Company are required to maintain certain minimum holdings of Common Shares.	✓		✓
<b>Hedging Prohibited</b>			
The Disclosure, Confidentiality and Trading Policy provides that directors, officers and employees of the Company are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Company's prospects. Such prohibited speculative transactions include the use of puts, calls, collars, spread bets, contracts for difference, engaging in short selling (i.e. selling securities not owned or not fully paid for) and engaging in hedging activities of any kind.	✓		✓
<b>Policy Compliance</b>			
Like all employees, on an annual basis, the executive officers sign the Company's Code of Business Conduct and Ethics that guides the behavior that the Company expects of all staff members.	✓		
<b>Change of Control Agreements</b>			
None of the executive officers of the Company has a change of control contract as it relates to severance payments.	✓		✓
<b>Overlap of Board Committees</b>			
Overlap of Board Committee members helps to provide context in terms of compensation risk management; Board members who are not part of the Compensation Committee are invited to provide input when needed as well as attend Committee meetings to which they are not members of.	✓		
<b>Clawback Provision</b>			
Compensation paid to executive officers of the Company is subject to repayment if financial results, which were the basis for the payment of such compensation, were subsequently restated or where the officer has engaged in misconduct.	✓		✓

## Compensation Objectives and Principles

The Board recognizes that the Company's success is dependent on its ability to attract, retain and motivate superior performing employees at all levels, which can only occur if the Company has an appropriately structured and executed compensation program. The Company's compensation policies are founded on the principle that executive and employee compensation should be aligned with the Company's objectives as well as with shareholder interests. The Company's compensation plans are therefore intended to encourage decisions and actions that will result in the Company's growth and in the creation of long-term shareholder value. In determining the compensation to be paid to the NEOs, the Compensation Committee takes into account corporate and individual achievements, comparative market data and other relevant information supplied by management of the Company.

The principal objectives of the Company's executive compensation plans are as follows:

- Ensure an appropriate mix of compensation which rewards both short-term and long-term performance, resulting in shareholder value creation;
- Provide for an appropriate balance in the compensation structure of fixed and at-risk components;
- Reward the demonstration of leadership, as well as both Company and individual performance;
- Provide a transparent and competitive structure to attract, motivate and retain talented individuals; and
- Encourage equity ownership by executives to align with shareholder interests.

The Compensation Committee's objective is to ensure that the compensation package is designed to reward performance based on the achievement of set corporate goals and objectives and is competitive with comparable companies in the market with which the Company competes for talent.

In order to ensure that the Company's overall compensation package is competitive, the Compensation Committee reviewed the most recent publicly available compensation information from other companies considered to be within the Peer Group. The Peer Group consists of similar-sized oil and natural gas companies operating in Canada, based on different factors such as production, reserves and market capitalization. For the purposes of benchmarking executive compensation, the Committee and the Board do recognize that market data can be imperfect due to factors such as the Peer Group used, individual levels of responsibility as well as the timeliness of the information. This can cause some discrepancies in the data especially for the most senior positions (i.e. CEO, CFO) and therefore judgement is applied to interpret the information. This involves analyzing various data points to ensure the reasonability of the data being used. In 2022, the Board reviewed and considered several sources of information such as proxy data from the Peer Group as well as the Mercer survey compensation data.

The Peer Group consisted of the following companies whose average oil and natural gas Q4 2022 production ranged between 79,800 – 1,281,400 barrels of oil equivalent per day ("boe/d"). Tourmaline's 2022 average annual production was 500,832 boe/d.

PEER GROUP	
ARC Resources Ltd.	Enerplus Corp.
Birchcliff Energy Ltd.	Paramount Resources Ltd.
Canadian Natural Resources Limited ("CNRL")	Peyto Exploration & Development Corp.
Crescent Point Energy Corp.	Ovintiv Inc.

## Compensation Structure: Simple and Transparent

Tourmaline's compensation model is basic and easy for shareholders to understand when compared to some of the compensation models of the Peer Group. The Company believes it is important to have a compensation model that not only aligns itself directly with shareholder value but is also easy to understand, transparent and requires minimal administration to ensure that executives and directors are able to focus their attention on the Company's core business. The Board regularly reviews its compensation model and will continue to make adjustments when it has determined that additional changes are warranted.

## 2022 Compensation Plan Changes

Over the course of 2021 and 2022, management and the Compensation Committee conducted a thorough review of the Company's compensation structure to determine whether it continued to be appropriate, given the evolution of the Company in recent years. Through this review, and after considering the fact that the Company has, over recent years, transitioned to a large, senior producer with a focus on free cash flow generation, it was determined that it was appropriate to further diversify the Company's long term compensation structure, which has historically been comprised primarily of stock options. As a result of this review, which also included a Peer Group review, management and the Compensation Committee determined that stock options alone were no longer the most desirable and effective form of long-term compensation and that a non-dilutive form of equity-based compensation, which better reflected the nature of the Company's stage of maturity, should be introduced. As a result, the Company elected to implement a restricted share unit plan ("**RSU Plan**") in November 2022. The RSU Plan is designed to promote a proprietary interest in the Company and incentivizes both management and employees to focus on long-term total shareholder return. The resulting compensation provided under the RSU Plan is settled by an independent third-party acquiring the Company's shares in the open market, and therefore, the Plan does not have a dilutive impact on the Company's shares. Restricted share units ("**RSUs**") granted under the RSU Plan are adjusted for dividends paid by the Company during the vesting period, which provides for a more appropriate indicator of value generation, particularly given the Company's current focus on returns to shareholders. Management and the Compensation Committee believe that the introduction of the RSU Plan allows for a better mix of compensation rewarding both short-term and long-term performance and also encourages equity ownership by employees, thereby aligning with shareholder interests. The RSU Plan is relatively simple to understand and administer and also ensures that the Company's compensation structure continues to be competitive in order to attract and retain top talent. As a result of the implementation of the RSU Plan, the Company intends to place a decreased emphasis on stock options as part of the overall compensation package going forward. In this regard, the Company modified the Share Option Plan in 2023 to reduce the total number of options which may be granted under such plan to a rolling 7.5% of total outstanding common shares, down from 8.5% previously. In addition, several members of senior management, including the CEO and CFO, requested not to receive stock options in 2022, in order to reduce stock dilution and to increase the Company's ability to grant Options to other employees. A summary of the RSU Plan is provided in "*Schedule C – Summary of RSU Plan.*"

In 2017, the Company implemented the ESPP (as defined below) whereby employee contributions of up to 7% (increased from 5% in February 2022) of an employee's base salary are matched by employer contributions on a 2:1 basis (see "*Employee Share Purchase Plan*" section for more information). In 2022, the Company modified the terms of the ESPP to allow employees to also contribute up to 7% of their annual cash bonus (in addition to base salary contributions), which is also matched by employer contributions on a 2:1 basis. The ESPP is administered by an independent third-party, is easy to understand for both staff, as well as shareholders, and does not result in any stock dilution as the Company's shares are purchased on behalf of participants in the open market. Additionally, the ESPP promotes increased employee ownership in the Company's shares and continues to provide a high degree of alignment with shareholders' interest. For 2022, the ESPP had an employee participation rate of over 97%.

## Components of Compensation

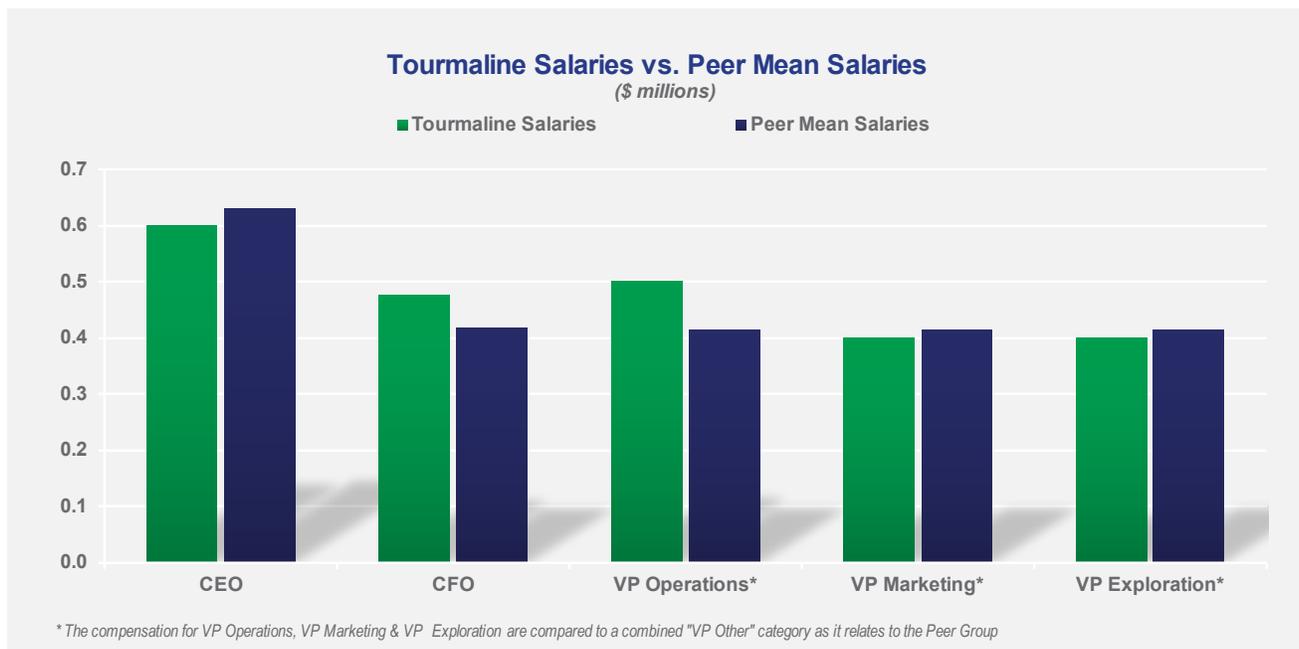
For the year ended December 31, 2022, the compensation package for the NEOs were comprised of both base salary and three forms of at-risk remuneration: (a) annual short-term incentive – cash bonuses; (b) participation in the Company's long-term incentive plans, being (i) the Share Option Plan; and (ii) the Company's newly implemented RSU Plan. The aggregate value of these components, and related benefits, is used as a basis for assessing the overall competitiveness of an NEO's total compensation package. Salaries, cash bonuses and incentive plan awards for the NEOs are reviewed and approved by the Compensation Committee and ultimately the Board. NEOs also have the option to participate in the Employee Share Purchase Plan.

Decisions concerning salary levels are made, in most respects, independently from decisions concerning other elements of compensation, because the purpose of the base salary is to provide a fixed level of competitive pay that reflects an NEO's primary duties and responsibilities. It is the Board's view that decisions concerning the determination of annual bonuses and long-term incentives also involve different factors and, therefore, those decisions are generally made independently of salary awards. The Board recognizes that the Company operates in a cyclical industry, and at times, the Company needs to adjust its short and medium-term strategy to deal with rapid changes. The Board may apply judgment to assess the performance of the Company and its executives in their ability to leverage opportunities or mitigate unexpected risks while continuing to deliver on corporate goals.

### Base Salary

The base salary is intended to provide a fixed level of compensation that reflects an NEO's primary duties and responsibilities. It also provides a foundation upon which incentive awards and benefit levels can be established. The Board considers a number of factors in the determination of base salaries for executive officers, including Tourmaline's long-term interests, individual leadership expectations and ability, level of responsibility, individual performance, years of relevant experience and salaries paid by comparable companies in the industry. Salaries of the NEOs and all other executive officers are reviewed annually based upon corporate and personal performance and by taking into account individual levels of responsibility.

The graph below highlights base salary for the NEOs in comparison to the Peer Group:



## At-Risk Components of Compensation

Executive officers have both fixed, and variable at-risk, components of compensation. The program is intentionally designed to be more heavily weighted towards variable at-risk elements of compensation, as illustrated in the section "*Significant Pay at Risk – NEO Pay Mix*". The variable compensation is at-risk either in the current year based on Company performance or any time prior to Options being exercised or RSUs vesting, reinforcing accountability for corporate and personal performance.

### Annual Short-Term Incentive Compensation – Cash Bonuses

The Company has a discretionary bonus plan under which cash bonuses, if declared, are paid annually. The payment of bonuses is recommended by the Compensation Committee and is ultimately subject to the final approval of the Board. The Board has the discretion to amend or suspend the bonus plan at any time. All employees and executive officers of the Company are eligible to participate in the bonus plan. The bonus plan is designed to reward on the basis of both Company and individual performance. For the NEOs, excluding the CEO, the cash bonuses paid are determined by considering both the Company's overall performance and each NEO's individual contribution to the Company's performance, as recommended by the CEO and approved by the Compensation Committee. Under the discretionary bonus plan, there are no guarantees that any employee or executive officer, including the CEO, will receive a bonus.

The Company measures corporate performance by considering the following categories:

<b>Financial</b>	Continued balance sheet strength, risk management, hedging strategy, cash flow management and efficient allocation of capital.
<b>Strategic</b>	Allocation of capital and resources, mid and long-term commercial opportunities, corporate acquisitions, as well as strategic asset acquisitions and/or dispositions.
<b>Operational</b>	Production growth and optimization, operating and capital efficiencies, cost reductions in all aspects of the business, monitoring and use of technological advancements.
<b>Safety, Asset Integrity and Environmental Performance</b>	Frequency of injury and occurrence of environmental incidences, and positive environmental actions taken by the Company during the year.

In assessing corporate performance, the Company also considers the following specific indicators: (a) growth in production and reserves on an absolute and per share basis; (b) cash flow on an absolute and per share basis; (c) free cash flow generated on an absolute and per share basis; (d) total operating costs and total general and administrative costs, on an absolute and per barrel of oil equivalent basis; (e) annual finding, development and acquisitions costs; and (f) the Company's performance for all of the above indicators when compared to the Peer Group based on the most recent publicly available information. (The above noted indicators have been referred to in prior Company public disclosures. Refer to the "*Reader Advisories - Non-GAAP and Other Financial Measures*" section in this Circular for further details). Specific targets, as well as general targets, were presented to, and approved by, the Board and disseminated within the organization as appropriate. Once the Company's performance targets have been established, approved and communicated, specific and general goals, prepared by the CEO with input from the executive team, are highlighted for executives, managers and departments as a whole. Bonuses paid to managers and officers (except the CEO) are determined by considering their achievement of the short and medium-term goals as set out at the beginning of, and throughout the year. In determining the bonus amount for NEOs, the following factors are considered:

- achievement of individual priorities and accountabilities;
- leadership and commitment;
- extraordinary contributions to the Company over the past year;
- additional value added to the Company's operating and financial results attributable to the individual performance of the NEO; and
- behaviours that support the Company's corporate culture.

The CEO's cash bonus is determined by the independent directors of the Board, upon recommendation of the Compensation Committee, by taking into account numerous factors, including the broad categories, as well as performance indicators and factors discussed above. For 2022, the Compensation Committee recognized Mr. Rose's ability to execute on the EP business as well as other opportunities while maintaining a strong balance sheet and focusing on generating strong shareholder returns. As such, the Compensation Committee recommended to the independent directors of the Board, and the independent directors of the Board subsequently approved, a cash bonus to be paid to Mr. Rose.

Some of the Company's accomplishments in 2022 under Mr. Rose's leadership include:

<b>Total Average Production</b>	Achieved annual average production in 2022 of 500,832 boe/d, up 14% from 2021.
<b>Cash Flow</b>	Generated cash flow <sup>(1)</sup> in 2022 of \$4.9 billion (\$14.26 per diluted share), up 67% over 2021.
<b>Free Cash Flow</b>	Generated free cash flow ("FCF") <sup>(2)</sup> for 2022 of \$3.2 billion, a 115% increase over 2021 FCF of \$1.49 billion.
<b>Shareholder Returns</b>	Focused on returning FCF back to shareholders. Increased dividends 3 times in 2022 to an annualized dividend of \$1/share (39% annual increase) and paid four special dividends totalling \$7.00/share in 2022.
<b>Reserves Growth</b>	Replaced 240% of its 2022 annual production of 183.0 million boe in 2022 with 2P reserve additions <sup>(3)</sup> of 440 million boe including 2022 production.
<b>Investment Grade Credit Rating</b>	Maintained a credit rating of BBB (high) from DBRS Morningstar.
<b>Environmental Performance</b>	Committed to invest \$30-50 million per year on environmental performance improvement initiatives.
<b>Emission Testing Centre ("ETC")</b>	Expanded operations at the Company's ETC, in order to continually test new technologies with the goal of materially reducing methane and other emissions from the Company's EP operations.

The above noted metrics have been referred to in prior Company public disclosures. Refer to "Reader Advisories" in this Circular and the "Non-GAAP and Other Financial Measures" section in the Company's 2022 earnings release dated March 1, 2023, the Company's Annual Information Form, and the Annual MD&A, for further details.

- (1) "Cash flow per diluted share" is a non-GAAP financial ratio. Cash flow, a non-GAAP financial measure, is used as a component of the non-GAAP financial ratio. See "Non-GAAP and Other Financial Measures" in the Company's 2022 earnings release and in the Annual MD&A.
- (2) "Free cash flow" is a non-GAAP financial measure defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payments. See "Readers Advisories - Non-GAAP and Other Financial Measures".
- (3) Reserves have been evaluated by GLJ Ltd. and Deloitte LLP, the Company's independent reserve evaluators with an effective date of December 31, 2022, and a preparation date of February 22, 2023. Reserves are working interest gross reserves before deduction of royalties payable to others and without including any royalty interests.

## Long-Term Compensation

The Company's long-term compensation program is comprised of the Share Option Plan and the RSU Plan (introduced in November 2022), (together the "**Long-Term Incentive Plans**"). The Long-Term Incentive Plans are intended to encourage participants to focus on the Company's long-term success by providing participants an opportunity to increase their ownership interests in the Company as well as strive for long-term share price appreciation. The purpose of the Long-Term Incentive Plans is to align the interests of both employees, including NEOs, and shareholders. The Board believes that long-term equity incentive compensation plays an essential role in maximizing shareholder value by attracting and retaining senior executives who are focused on achieving Company objectives.

Officers, managers, and all staff members are awarded Options and RSUs based upon their relative contribution in achieving the longer-term goals of the department in which they work, as well as their contribution to overall Company performance. As it relates to NEOs, individual contributions to Company performance are assessed by the CEO and recommended to the Compensation Committee for approval. The CEO performance is assessed by the Compensation Committee as well as the Board. The Compensation Committee believes that through the judicious use of the Long-Term Incentive Plan awards, the Company has established a long-term compensation program that will be able to attract and retain high-performing and motivated individuals.

Through a comprehensive compensation review, including a Peer Group review, performed by management and the Compensation Committee over the course of 2021 and 2022, it was determined that the introduction of an RSU Plan was now appropriate, as further described under "2022 Compensation Plan Changes" in this Circular. To date, the Share Option Plan was viewed as the Company's preferred choice for longer-term compensation as it provided for a strong correlation between the compensation ultimately earned by an individual and Company share performance. Although this is still believed to be the case, over the years, the Company has been attempting to systematically reduce the number of Options issued to employees and NEOs with the goal of lowering its burn rate. Due to the reduced number of Options being issued, the RSU Plan was introduced as a way to supplement, and further diversify, the Company's compensation structure.

### **Share Option Plan**

The Share Option Plan rewards executive for share price growth and thereby align their interests with those of shareholders. Stock options are generally granted once per year, vest in thirds over three years and expire after seven (7) years (or five (5) years in the case of independent directors). Following the compensation plan review in 2021 and 2022, and with the decision to diversify the Company's long-term compensation structure and reduce the dilutive effect of long-term incentive plans, the Board approved amendments to the Share Option Plan to reduce the total number of stock options that may be issued under the plan to 7.5% of the total number of issued and outstanding Common Shares, down from 8.5% previously. This amendment was made effective April 21, 2023.

In addition, in 2022, after taking into account the Company's burn rate, which was largely impacted by the increased staff count primarily as a result of the five corporate acquisitions throughout 2020 and 2021, the CEO and CFO chose to forego receiving Options in 2022 in order to reduce stock dilution and allow for more Options to be available for issuance to the remaining staff, if needed. This is reflected in their At-Risk Compensation for the year, whereby their Option-Based Awards for 2022 were nil. The Company anticipates that issuances under the Share Option Plan will decrease over time, as more emphasis is placed on the RSU Plan and other forms of long-term compensation, including the ESPP.

See "*Schedule B – Summary of Share Option Plan*".

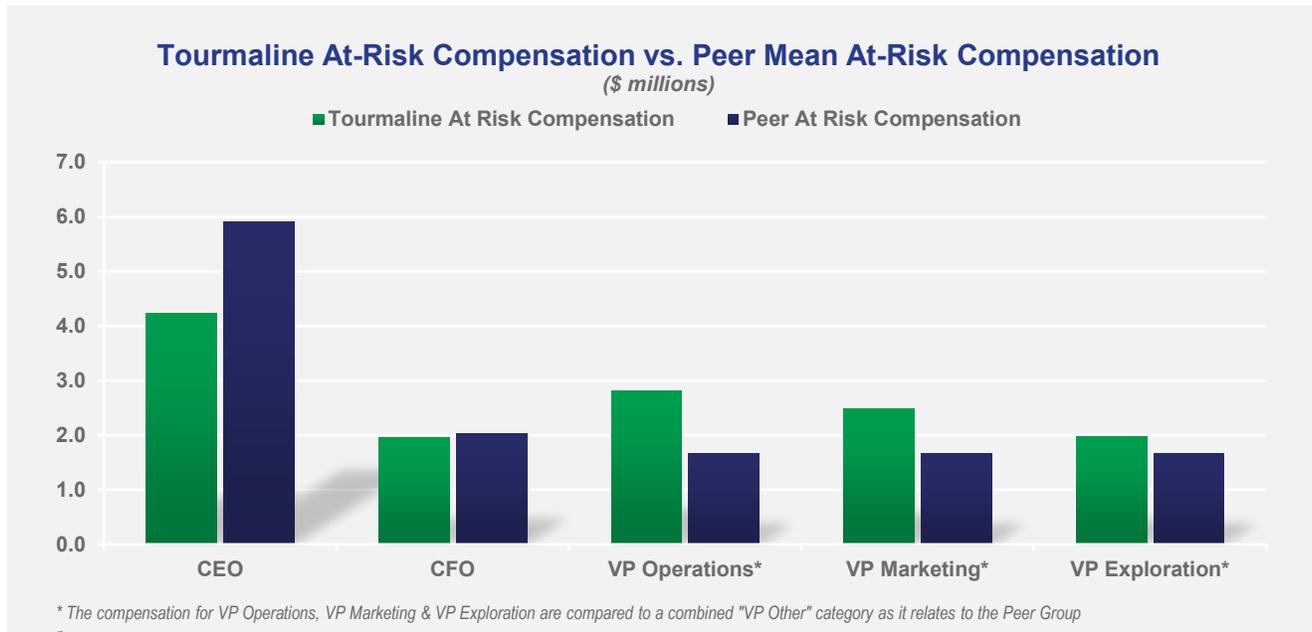
### **RSU Plan**

The RSU Plan enhances employee, executive and shareholder alignment and provides greater compensation stability in volatile commodity price environments, as compared to Options. RSUs are full value grants of units which, upon vesting, are satisfied by the delivery by an independent third-party of an equivalent number of Common Shares purchased by such independent third party on the open market using cash. Shares may not be issued from treasury to satisfy obligations upon vesting of RSUs. As such, the RSU Plan does not have a dilutive effect on the Company's Common Shares. Subject to Board approval, the Company may elect to satisfy its obligations in cash, though the Company does not currently intend to do so, preferring to support employee and executive ownership by delivering Common Shares upon vesting.

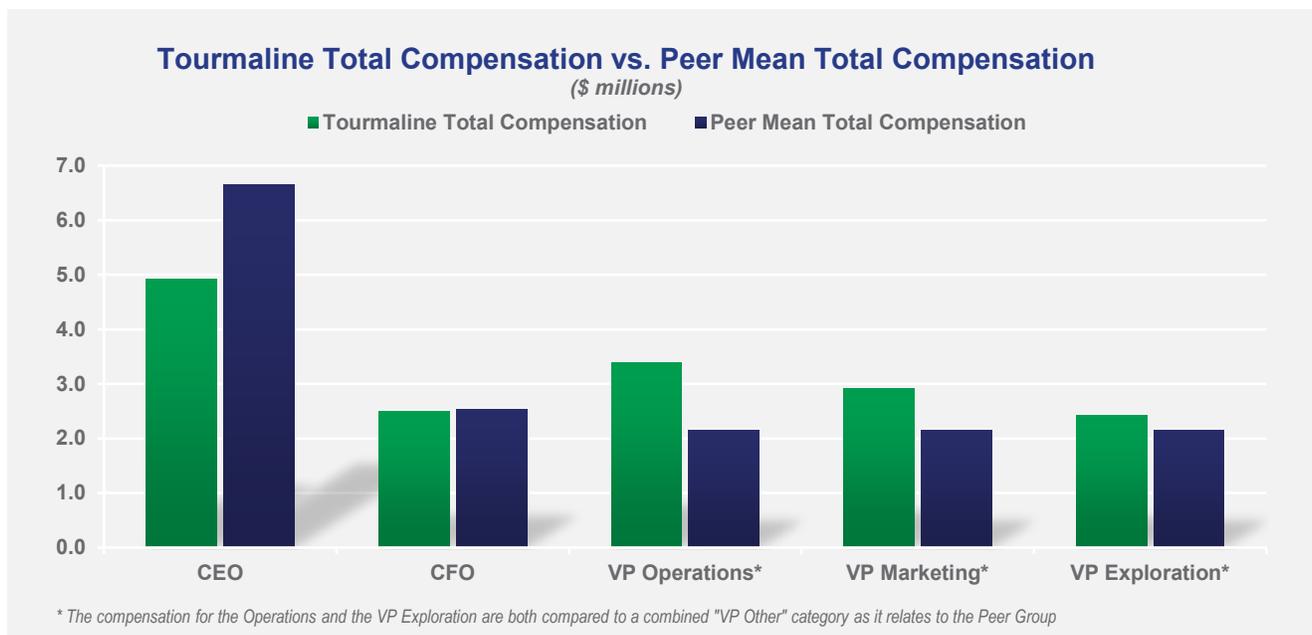
RSUs vest in thirds over three years and the number of RSUs held by a unitholder is adjusted upwards to account for dividends paid by the Company on its Common Shares over the vesting period. 2022 was the first year in which the Company granted RSUs and as such, no RSUs have vested yet.

See "*Schedule C – Summary of RSU Plan*".

The graph below shows the total at-risk compensation paid to NEOs when compared to the average for the Peer Group:

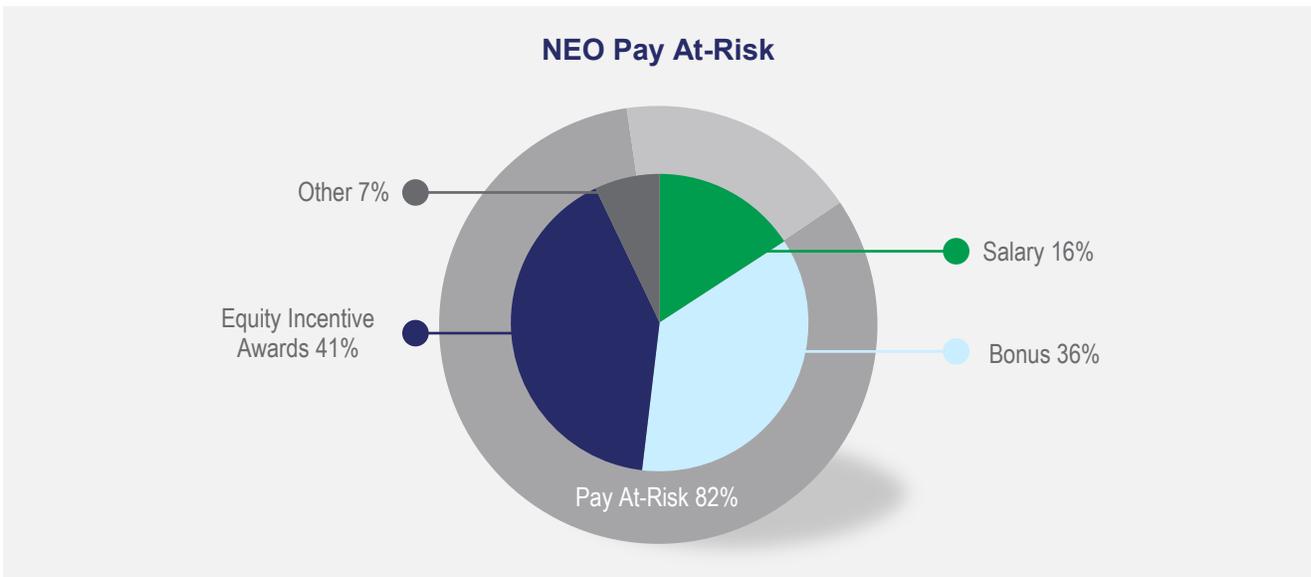
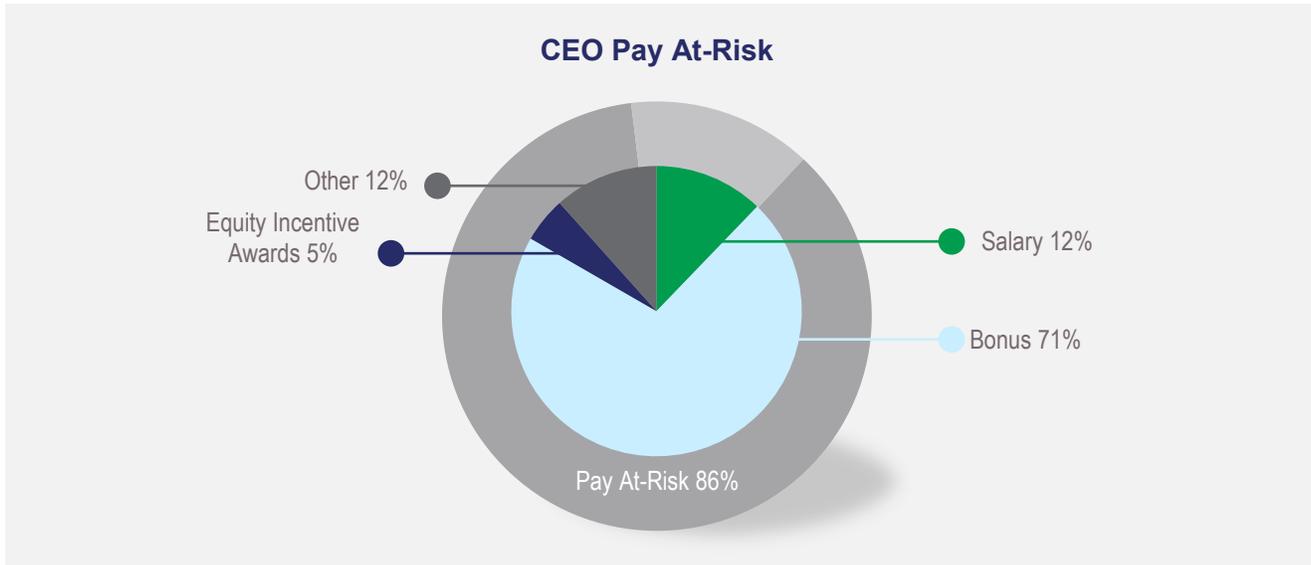


The following graph shows the total compensation paid to NEOs when compared to the average for the Peer Group:



### Significant Pay At-Risk – NEO Pay Mix

In an effort to align pay levels for NEOs with the Company's performance and the interests of shareholders, the Company places the greatest emphasis on performance-based annual and long-term incentives rather than base salary. Eighty-six percent (86%) of the CEO's total compensation and approximately 82% of other NEOs' total compensation is at-risk, performance-based and is dependent on Company and individual performance. The following charts show the allocation of total compensation across the various categories for the CEO and NEOs:



## Employee Share Purchase Plan

Effective April 1, 2017, the Company established an Employee Share Purchase Plan (the "**ESPP**") to encourage long-term ownership of Common Shares of Tourmaline without increasing stock dilution, as the Common Shares are purchased in the open market. The ESPP not only enhances employee retention but also provides for a compensation package that is more in-line with the Peer Group and further promotes alignment with longer-term interests between employees and shareholders.

The ESPP is administered by a third-party firm and allows employees to purchase Common Shares in the open market and hold them in a non-registered savings plan. The Company will match employee contributions on a 2:1 basis up to an employer contribution maximum of 14% of base salary and annual bonus. Employees that contribute to the ESPP will have Common Shares purchased for them, as beneficial shareholders, by the administrator of the ESPP who will hold the Common Shares on the employees' behalf. Common Shares purchased using the employer's contribution are subject to a one (1) year hold period from the contribution date. For 2022, the ESPP had an employee participation rate of over 97%. The Company's executives are eligible to participate in the same ESPP as employees, which further promotes share ownership. The independent directors are not eligible for participation in the ESPP.

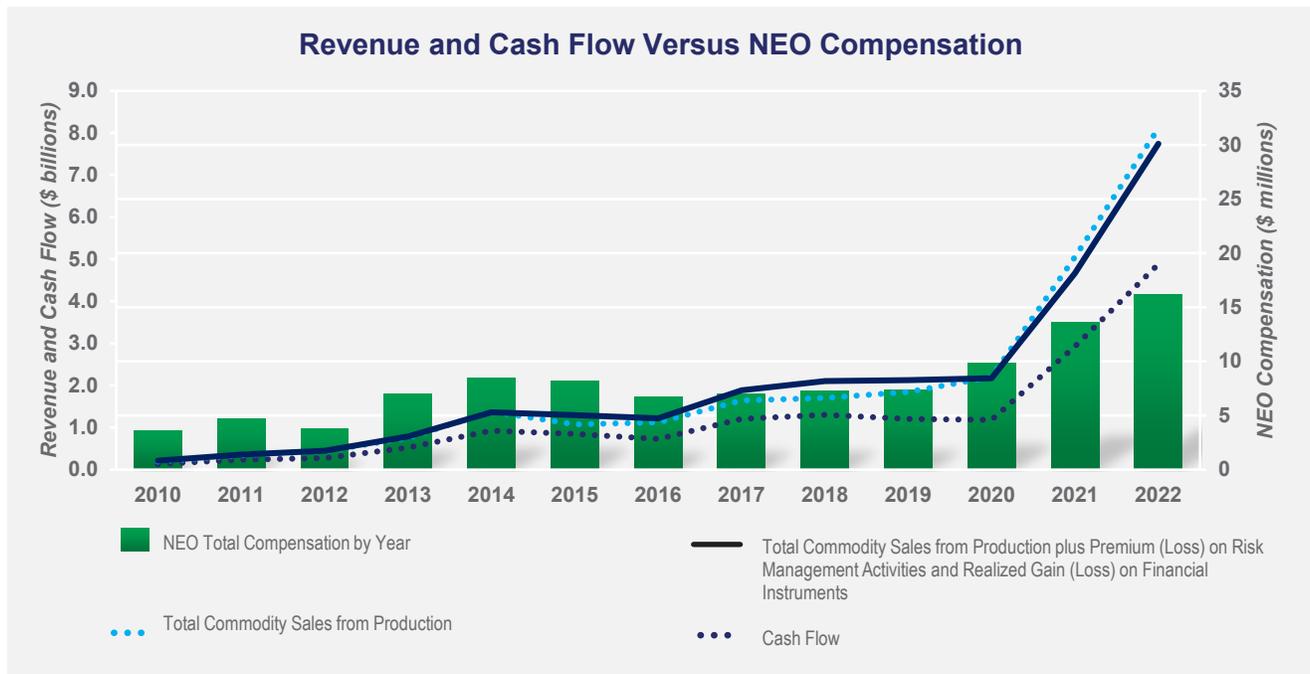
## Compensation Consultant or Advisor

In 2022, the Company participated in the Mercer Total Compensation Study, administered by Mercer (Canada) Limited, for purposes of benchmarking executive and employee compensation. The compensation consultant fees paid in 2022 were \$21,998.

## Summary

Based on the information available at the time compensation was determined, the total compensation for the Company's executive officers for 2022 was set in the mid-range when compared to the Company's Peer Group. General targets for total cash compensation for all employees are set at the median for solid performance and closer to the 75th percentile or higher for exceptional corporate and individual performance. The Company's compensation policies have allowed the Company to attract and retain a team of motivated professionals and support staff working towards the common goal of enhancing long-term shareholder value. The Compensation Committee and the Board continue to review and, at times, amend the compensation plan to ensure that it continues to be competitive, consistent with the overall performance of the Company, and aligned with shareholder interest. The graph below provides a comparison of the movement in total annual NEO compensation since 2010 to the Company's total annual revenue, as well as annual cash flow. Although total annual revenue and cash flow have significantly increased over the past twelve (12) years, the total NEO compensation has not experienced the same relative appreciation, especially over the past three (3) years where revenue and cash flow have increased on average approximately 300% over the three-year period and total NEO compensation has increased 120% over the same time period. Although the general trends are in the same direction, the graph highlights the effectiveness of the Share Option Plan up to 2021 and the Long-Term Incentive Plans in 2022, both of which are influenced by Common Share price performance ensuring that the total NEO compensation is not just tied to Company performance or financial metrics but also aligns with shareholder interest.

The following graph shows the Company's revenue and cash flow versus total NEO compensation:

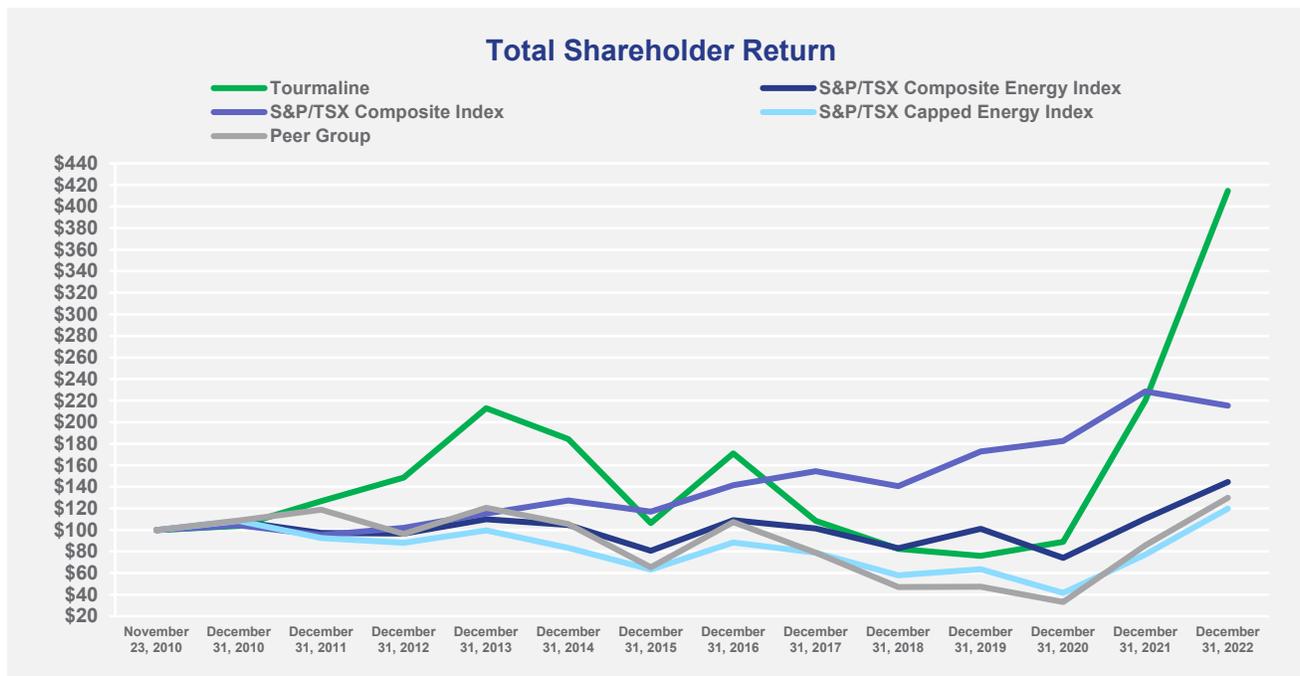


The table below shows total NEO compensation as a percentage of both revenue and cash flow since 2010. As both revenue and cash flow have continued to significantly increase, the ratio of total NEO compensation, compared to both values, has been decreasing.

% OF NEO COMPENSATION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
NEO Compensation as a % of Commodity Sales from Production plus Premium (Loss) on Risk Management Activities and Realized Gain (Loss) on Financial Instruments	1.7	1.3	0.8	0.9	0.6	0.6	0.5	0.4	0.3	0.3	0.5	0.3	0.2
NEO Compensation as a % of Cash Flow	2.7	1.9	1.4	1.3	0.9	1.0	0.9	0.6	0.6	0.6	0.8	0.5	0.4

## SHARE PRICE PERFORMANCE ANALYSIS

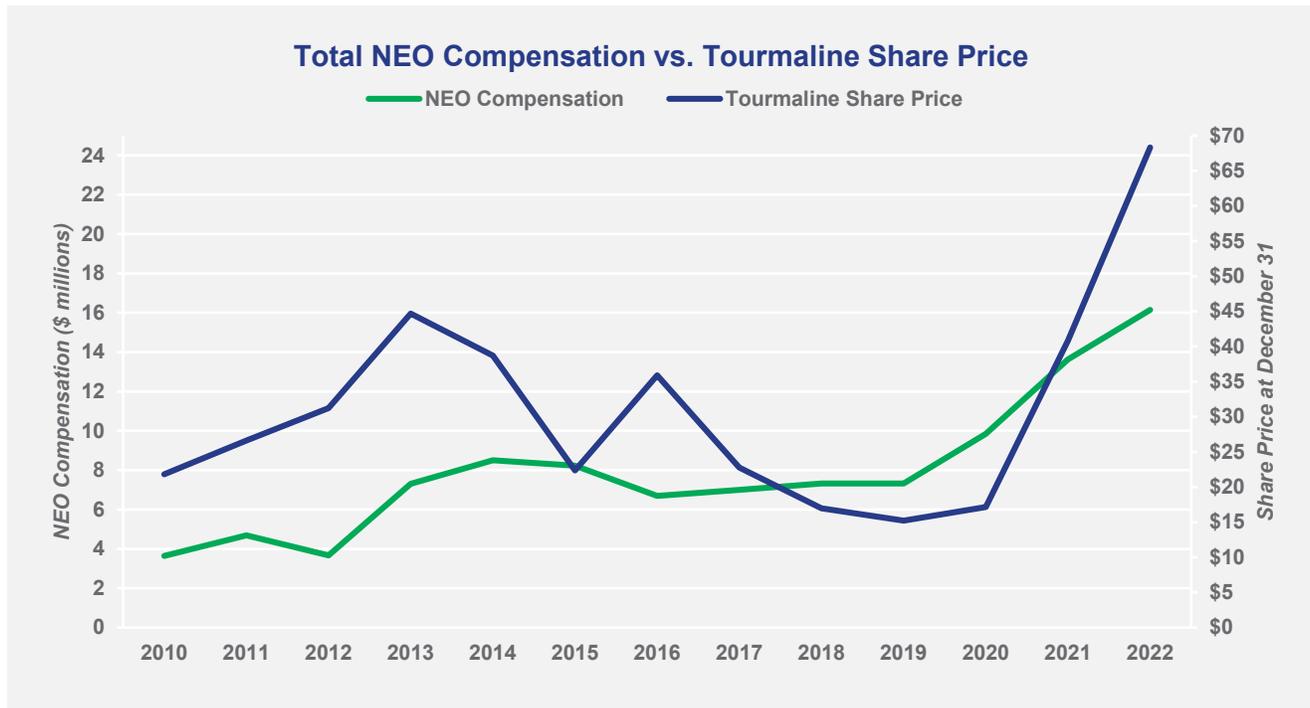
The following graph compares the change in the cumulative total shareholder return<sup>(1)</sup> since November 23, 2010 (the date the Common Shares commenced trading on the TSX), of a \$100 investment in the Common Shares, with the cumulative total return of the S&P/TSX Composite Energy Index, the S&P/TSX Capped Energy Index and the S&P/TSX Composite Index for the comparable period.



Since the completion of the Company's initial public offering on November 23, 2010, the Company, on average, has generally outperformed the above noted Energy indices and its Peer Group, and in some years by a significant margin. Over the past twelve (12) years, the Company's share price has experienced periods of significant increases, as well as sharp declines. For the first ten (10) years, the overall downward trend experienced by the Energy indices, the share prices of the Peer Group as well as the Company's share price, is a direct reflection of the overall decline in, and continuous challenges faced by, the oil and gas industry as a whole. In 2022, the Energy indices, and the share prices of the Peer Group, along with the Company's share price, improved after the world experienced an energy security crisis due to the conflict in Ukraine, compared to sharp declines in 2020 as the world was facing the challenges of the COVID-19 pandemic. Total return on Tourmaline Common Shares from November 23, 2010 to December 31, 2022 was 315%, compared to 30% for the Peer Group's common shares and an average of 32% on the S&P/TSX Energy indices (60%, if the S&P/TSX Composite Index is included). Total return assumes that all dividends are reinvested in the same security.

<sup>(1)</sup> Supplementary Financial Measure. Refer to the "Readers Advisories - Non-GAAP and Other Financial Measures" section of this Circular.

The following graph highlights the Company's total annual NEO compensation compared to the trend in the Company's share price over the last twelve (12) years.

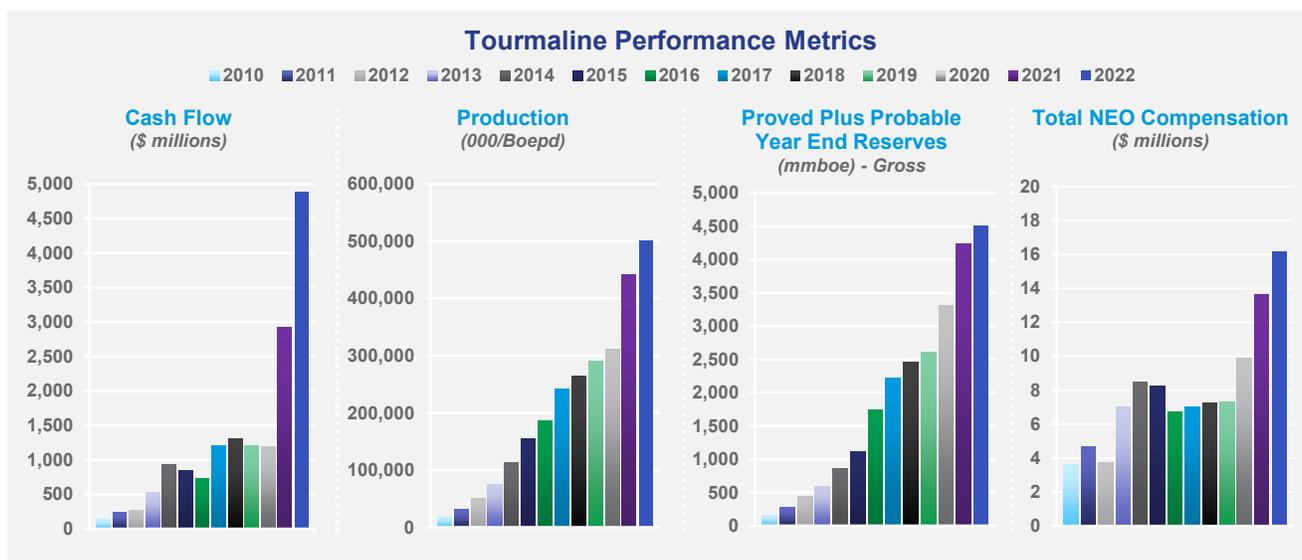


In the above noted graph, the trend in total annual NEO compensation is generally aligned with the movement in share price whereby when the share price trends higher, total annual NEO compensation is also higher. This is due to the value assigned to Options when they are issued, which is directly tied to the Company's share price. It is important to note that Options issued at a high strike price result in a higher compensation amount in the year they are issued but do not necessarily result in a higher realized payout, if any, when exercised, especially in a depreciating share price environment where the realized Option value could be nil. For the RSU Plan introduced in 2022, the actual value realized is based on the Company's share price at the date of vesting. Total NEO compensation in the early years reflects below-market compensation, consistent with a junior start-up company, and subsequently increased as the Company grew towards its current status as a senior producer. The Company believes that the Long-Term Incentive Plans allow for the NEOs and all other staff to align their interests with those of the shareholders of the Company and as the share price appreciates so does the value received from the Options and RSUs issued. The ownership guidelines for both executives and directors also help ensure that all interests are appropriately aligned. Throughout 2022, the NEOs, as well as all shareholders, benefitted from an appreciating stock price which resulted in all Options previously issued, and outstanding, being "in the money".

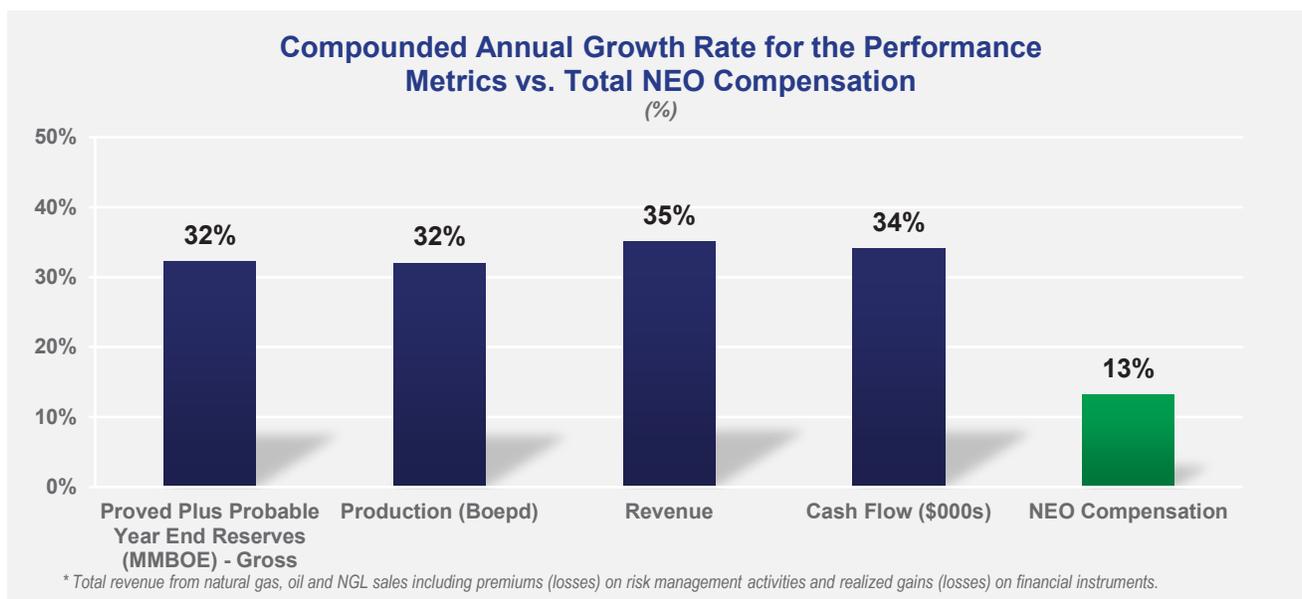
## PERFORMANCE METRICS

### Performance Metrics Compared to NEO Compensation

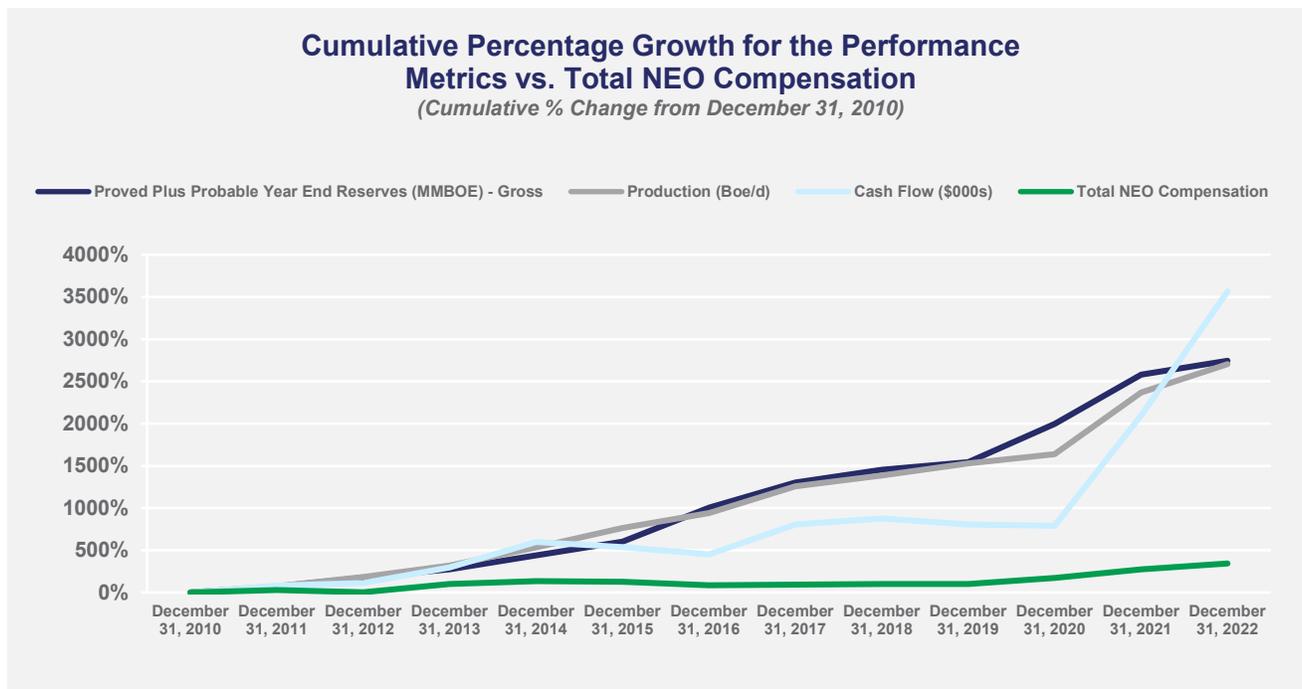
When determining the appropriate amount of short and long-term incentive pay, the Compensation Committee will consider the Company's performance relative to the goals that were set out during the year as well as the Company's Peer Group performance. The following three (3) graphs detail the Company's performance over the past thirteen (13) years and the bar graph on the right provides total NEO compensation over the same period. The overall trend in NEO compensation since 2010 is generally consistent with the significant annual increases in year-end proved plus probable reserves, average production per day, as well as the trend in cash flows; however, the NEO compensation has not experienced the same growth and has dropped in some years as a result of the Options which are tied to the price of Common Shares.



The graph below provides the Company's compounded annual growth rate, a useful measure assuming compounding growth over multiple time periods, for revenue and all three (3) performance metrics discussed above from 2010 to 2022 (growth between 32% and 35%). The compounded annual growth rate for total NEO compensation over the same period was 13%.



Considering the performance metrics from the previous table (excluding revenue) and focusing on the Company's total cumulative percentage growth from December 31, 2010 to December 31, 2022, the total cumulative growth for each category was: 2,745% for year-end 2P reserves, 2,705% for average daily production for the year, and 3,566% for annual cash flow. These growth rates are significantly greater than the cumulative percentage growth in total NEO compensation of 343% over the same time period.

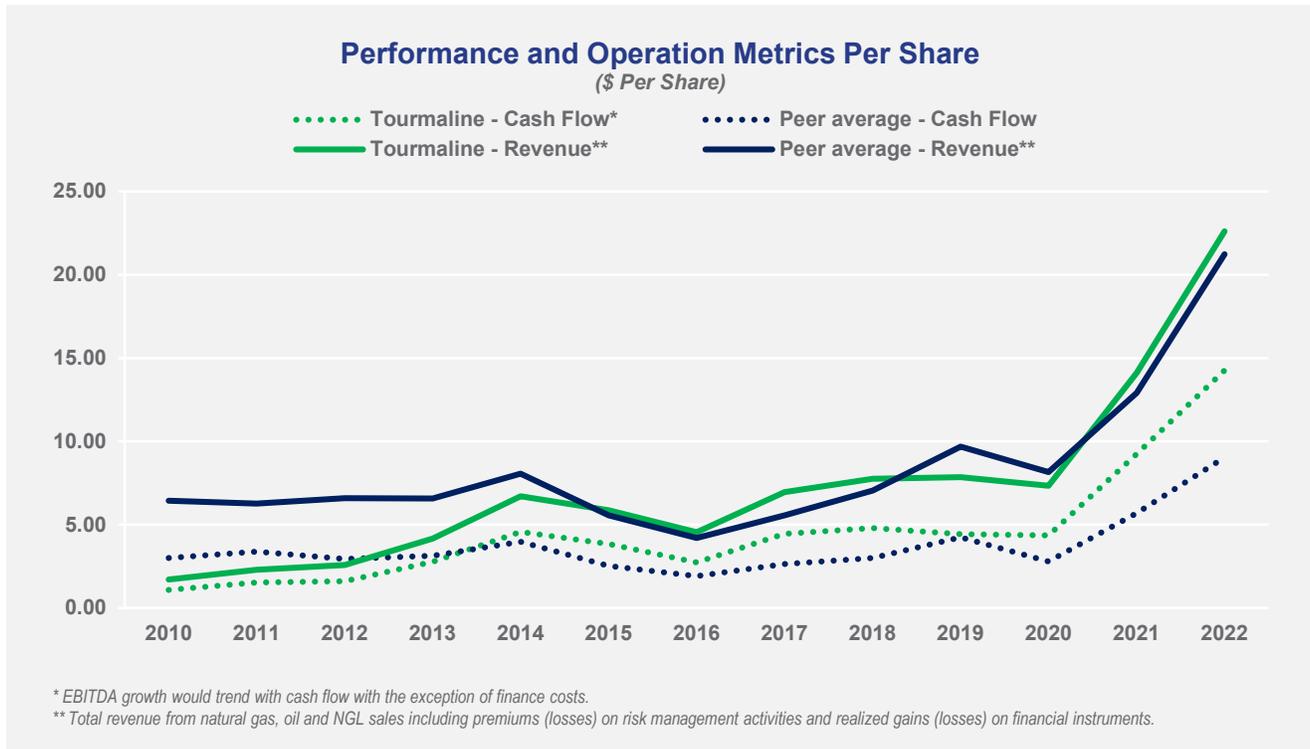


### Performance and Operational Metrics Compared to the Peer Group

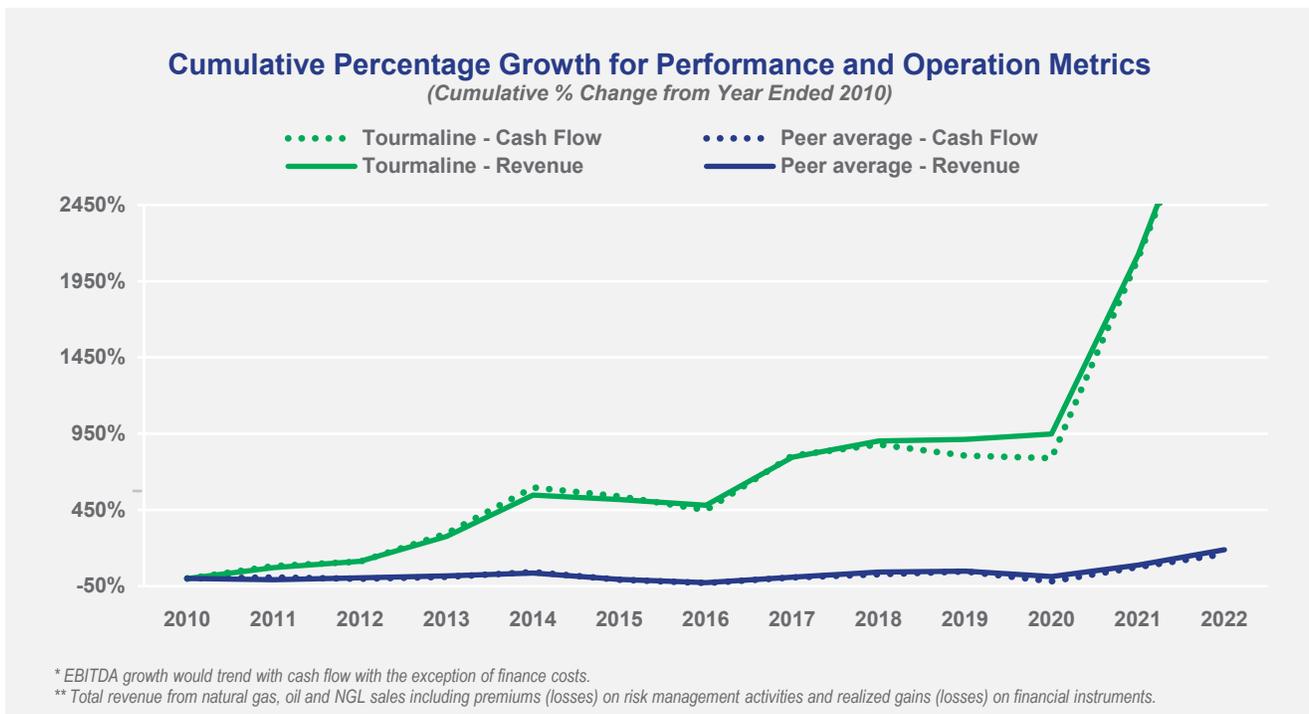
When determining the Company's financial and operational performance, a wide range of metrics are analyzed. Specifically, growth rates, rates of return and other specific metrics are key indicators when measuring the Company's achievements. Furthermore, how the Company's performance compares to that of its peers is a critical piece of information when determining compensation. The following graphs compare the Company's growth for both revenue and cash flow to the growth realized in the same categories by the Peer Group.

As shown in the charts below, despite Tourmaline's relative youth compared to its Peer Group (Tourmaline was founded in 2008 compared to the companies in the Peer Group, which were established between the years 1973 and 2008), the Company has outperformed the Peer Group in both revenue and cash flow per share since 2015 as well as on a total cumulative percentage growth on an absolute basis for both metrics essentially since its first year post IPO. When compared to 2010, Tourmaline's revenue per share and cash flow per share have grown by 1,224% and 1,217%, respectively, as the Company has grown average annual production from 17,856 barrels of oil equivalent per day in 2010 to 500,832 barrels of oil equivalent per day in 2022. This is in stark contrast to the growth rates realized by the Peer Group since 2010 of 229% and 201%, respectively. For the same period, Tourmaline's revenue and cash flow have a cumulative growth of 3,585% and 3,566%, respectively, compared to 189% and 161% for its Peer Group.

The following graph shows the performance and operations metrics per share:



The following graph shows the cumulative percentage growth for performance and operational metrics:



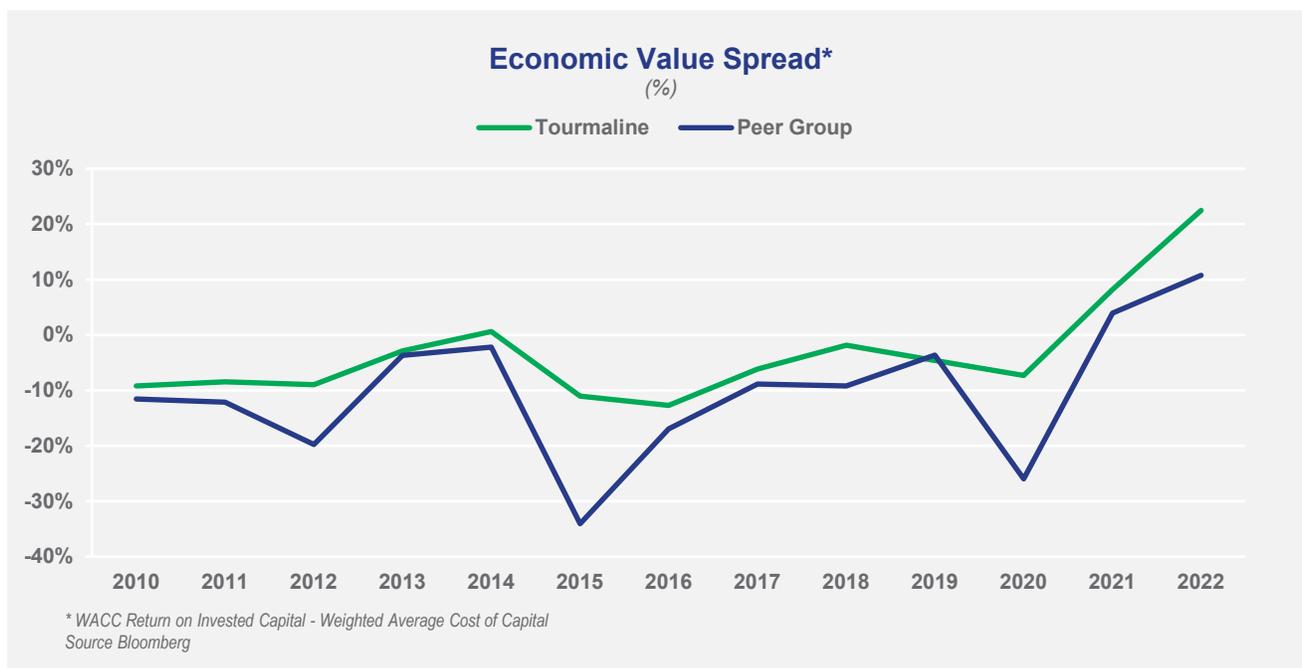
## Return on Equity, Assets and Invested Capital

The Company has proven its ability to generate significant returns since 2010 compared to the returns realized by the Peer Group. Specifically, return on equity ("**ROE**"), calculated by dividing net income by shareholders' equity, measures the return a company generates with the money shareholders have invested; return on assets ("**ROA**"), calculated by dividing net income by total assets, measures the return a company generates using the assets under its control; return on invested capital ("**ROIC**"), calculated by dividing net income by the total of bank debt and shareholders' equity, measures the return a company generates with the total capital under its control; and return on capital employed ("**ROCE**"), calculated by dividing earnings before interest and taxes by the capital employed (defined as total assets less current liabilities), measures the profitability of the company based on capital employed. When analyzing total compounded returns over the last twelve-year period, Tourmaline continues to outperform the Peer Group. In recent years, as the oil and gas industry has experienced significant volatility in commodity prices, the average income generated by both the Company and its Peer Group has been impacted by revenue streams reliant on volatile commodity prices, significant unrealized hedging gains and losses, and impairment write-downs as well as in some cases, impairment reversals. Tourmaline, however, in 2022, continued to highlight its full-cycle profitability generating earnings and continuously outperforming the Peer Group by diligently focusing on cost control including continuous improvements to the operations of recently acquired assets and at the same time achieving moderate annual production growth from its core EP program.



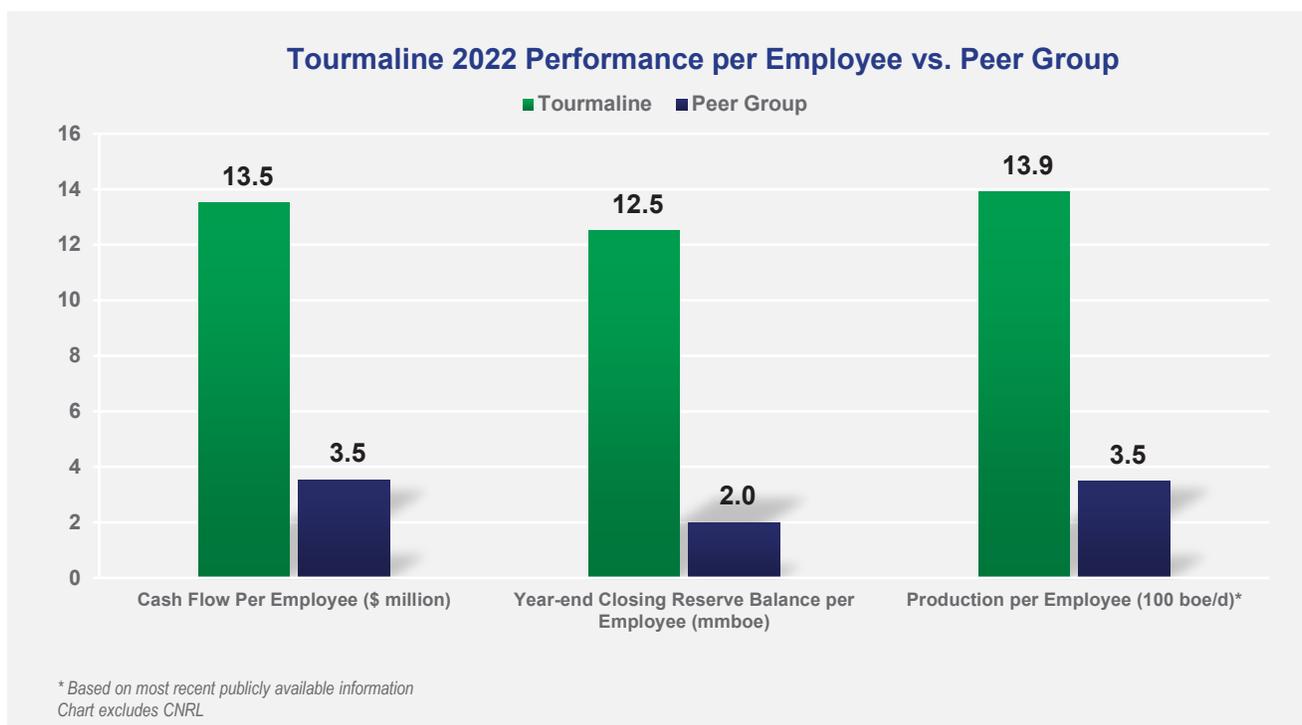
## Economic Value Added

Economic Value Added ("**EVA**") measures the return generated on invested capital less the cost of capital in each year. Some shareholders focus on EVA but management does not believe that EVA is necessarily an appropriate measure for companies in the oil and gas industry because the capital invested, which can be quite significant, especially in the initial growth years, can be quite disproportionate to the return generated in those years but adds shareholder value for future years, which does not get recognized in the annual calculation. Nonetheless, the Company has proven its ability to outperform its Peer Group. The significant EVA drop in both 2015 and 2020 for the Peer Group reflects the average negative returns generated for the respective year(s) by the Peer Group on invested capital.



## Staff Count

The Company has a much lower staff count than other companies of the same relative size. At December 31, 2022, the Company had 362 employees (including field staff) compared to the Peer Group with an average of 575 employees, excluding CNRL and an average of 1,720 employees, including CNRL. The graph below depicts cash flow, year-end closing 2P reserves and average production per day on a per-employee basis for 2022 for both Tourmaline and the Peer Group, excluding CNRL. The lower staff count results in substantially more value created on a per-employee basis when compared to the Peer Group average. The Company believes in motivating and empowering each employee to achieve their most efficient and effective performance. In return, the Company believes in rewarding employees, as well as management (including NEOs), with a long-term compensation plan, which is directly tied to overall Company performance. The lower staff count requires the Company to focus primarily on the maintenance and execution of its core exploration and production business and only consider acquisition and divestiture activities which meet certain accretion targets incremental to the Company's operating and financial results.



The following graph highlights certain performance metrics considered when comparing Company performance to the Peer Group. The per boe metrics highlighted in this graph: operating costs, G&A costs and 2P FD&A costs (including future development costs), are all impacted by compensation costs which impact earnings further supporting the Company's efforts to maintain a low staff count while continuously focusing on operational, capital, and corporate efficiencies. Adding staff, office space and using executive time to devise, assess and maintain plans beyond this focus, which may or may not assist in the actual execution of the core business, can result in less efficient and more expensive G&A costs. In an environment where cost control and efficiency continue to be essential, the Company believes its staffing levels are appropriate.

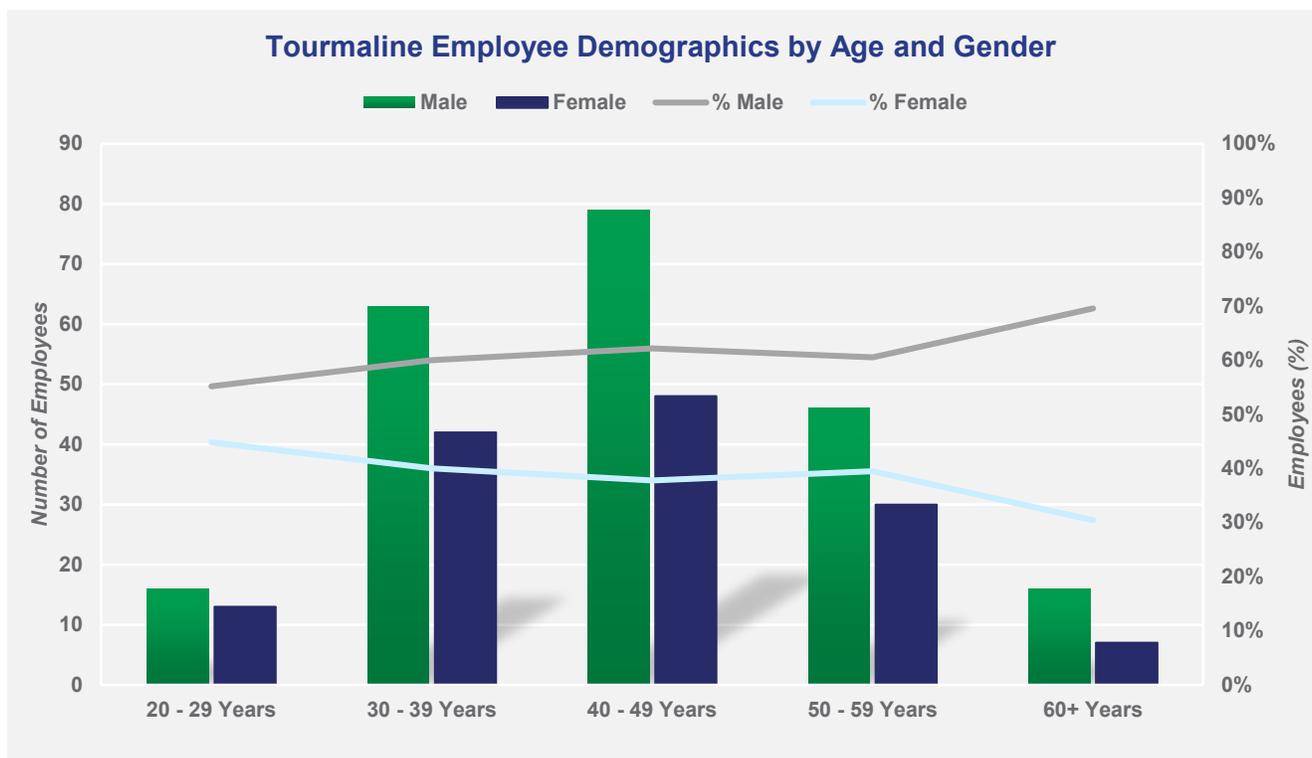
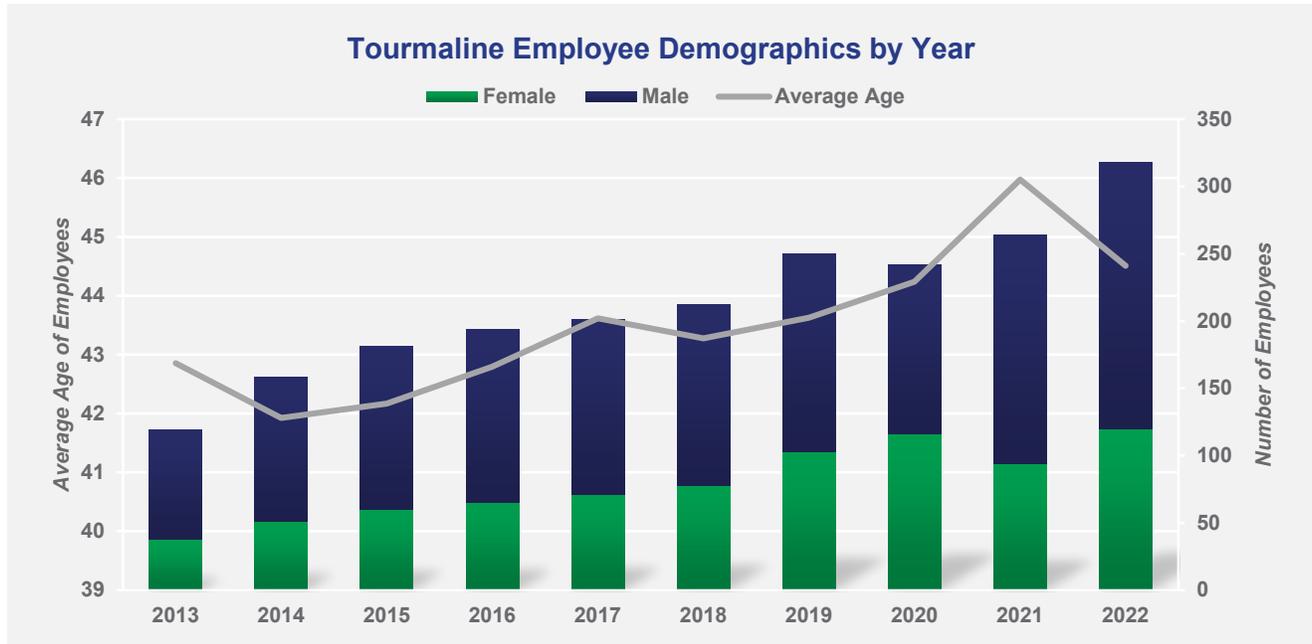


*The above noted per boe metrics have been referred to in prior Company public disclosures. Refer to "Reader Advisories - Non-GAAP and Other Financial Measures" section in this Circular for further details.*

## Staff Demographics

As previously discussed in the "Corporate Governance Disclosure" section of this Circular, Tourmaline is committed to diversity, not only at the executive and board levels, but also at all levels throughout the organization.

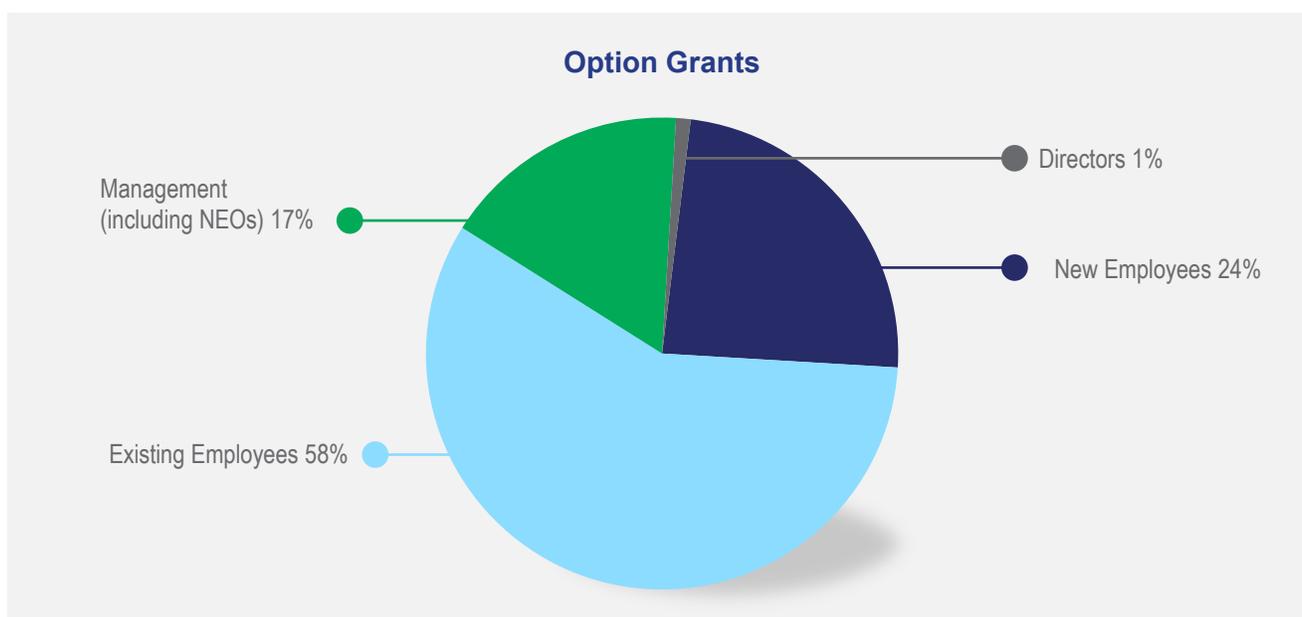
The graphs below outline Tourmaline employee demographics by age, gender, and year.



## Option Grants

In 2022, 4,074,175 Options were issued and allocated to the following categories:

New Employees	972,000	24%
Existing Employees	2,384,175	58%
Management (including NEOs)	690,000	17%
Directors	28,000	1%
	<b>4,074,175</b>	<b>100%</b>



The Company's three-year burn rate was lower in 2022 at 1.49% compared to 1.57% in 2021. The annual burn rate for the years 2020, 2021 and 2022 was 1.44%, 1.82% and 1.21%, respectively. The lower burn rate in 2022 reflects a lower number of Options issued to each individual as the Company continues to focus on reducing its overall burn rate. Of the Options issued during the year, 24% were issued to new employees (24% in 2021), reflecting the continued growth in the Company and associated increased staff count. In 2022, existing employees were granted 58% of the Options issued while Management and NEOs were granted 17%. In 2022, the CEO and the CFO chose to forego receiving Options in an effort to reduce stock dilution and to be able to issue more Options to the remaining staff. Directors were allocated a total of 1% of the Options issued. As the Company continues to grow, the number of Options granted to new employees may continue to be sizeable when compared to total Options granted. The initial award to a new employee is typically larger than subsequent grants to compensate initially for the absence of other types of long-term compensation plan awards. RSUs are not typically granted to new employees and are expected to be issued to existing employees on an annual basis. Option grants for non-executive directors have been limited to a maximum value of \$100,000 per director per year when using the Black Scholes option pricing model. (See "*Director Compensation*" for further discussion). Directors are not eligible for RSUs. The Company settles RSUs by acquiring Common Shares in the open market and therefore do not have a dilutive effect and as such do not impact the Company's burn rate. As the Company transitions to using more RSUs relative to Options, it expects that its overall burn rate will continue to decrease.

## Executive Share Ownership Guidelines

Tourmaline has always had significant insider ownership and a strong culture of executives, directors and employees thinking like shareholders. The Board encourages share ownership for officers and has developed guidelines to align the long-term interests of the executive team with those of shareholders. Guidelines for all officers of the Company require that they own at least an amount of Common Shares with a value equal to their base salary, except for the COO and CFO who must hold three (3) times their base salary (in each case, valued using the market value of the Common Shares as of December 31 of the most recently completed year). The CEO must hold five (5) times his total annual compensation in equivalent shares (valued using the market value of the Common Shares as of December 31 of the most recently completed year). RSUs, vested and unexercised Options are not included in the calculation – only Common Share ownership. Any new officers will have five (5) years to accumulate the required ownership and they must show an increase in holdings every year until the requirement is met. In the event an officer's salary is increased, a further two-year period is provided to meet the new share ownership target. Incorporating the provisions noted above, all executive officers conform to the guidelines.

The following table shows the shareholdings by Tourmaline's NEOs, relative to their executive share ownership requirements as of December 31, 2022.

OFFICER	REQUIRED SHARE OWNERSHIP AS A MULTIPLE OF BASE SALARY	NUMBER OF SHARES AS OF DECEMBER 31, 2022 <sup>(1)</sup>	VALUE AS OF DECEMBER 31, 2022 <sup>(2)</sup>	MULTIPLE OF BASE SALARY	MEETS MINIMUM SHARE OWNERSHIP REQUIREMENT
Michael Rose	5	16,473,915	\$1,125,497,873	228.8 <sup>(3)</sup>	Yes
Brian Robinson	3	1,244,870	\$85,049,518	179.1	Yes
Sherra Aspin	1	48,104	\$3,286,465	8.2	Yes
Colin Frostad	1	36,841	\$2,516,977	6.3	Yes
Earl McKinnon	1	94,940	\$6,486,301	13.0	Yes

(1) Includes common shares only.

(2) Based on the December 31, 2022 closing price for Tourmaline common shares of \$68.32.

(3) The CEO must hold five (5) times his total annual compensation in equivalent Common Shares.

## Risks Associated with the Company's Policies and Practices

The 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: components of the compensation are awarded on a discretionary basis; the compensation package for NEOs is reviewed and assessed annually by the Compensation Committee and the Board; the compensation program consists of fixed (base salary) and variable compensation (annual cash bonuses and long-term equity incentive compensation), which is designed to balance the level of risk-taking while also focusing on generating long-term and sustainable value for shareholders; Options and RSUs vest over a period of three (3) years, 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 of the NEOs. The 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.

The Company's Disclosure, Confidentiality and Trading Policy provides that directors, officers and employees of the Company are prohibited from participating in transactions that could be perceived as speculative or influenced by positive or negative perceptions of the Company's prospects. Such prohibited speculative transactions include the use of puts, calls, collars, spread bets, contracts for difference, engaging in short selling (i.e. selling securities not owned or not fully paid for) and engaging in hedging activities of any kind.

## Directors Compensation

For 2022, the annual retainer fee for independent directors was set at \$90,000 per annum.

## Share-Based Compensation

Non-executive directors participate in the Share Option Plan and the Company believes that this allows for an appropriate alignment of interests with both the directors and the shareholders of the Company. For 2022, each non-executive director has been restricted to receiving Options having no more than \$100,000 of value using the Black-Scholes option pricing model, in accordance with the limits of the Share Option Plan, thereby fixing their annual equity incentive compensation to a maximum of \$100,000. Non-executive directors are not eligible to participate in the Company's RSU Plan.

## Director Share Ownership Guidelines

Non-executive Board members are encouraged to own shares in the Company to align the long-term financial interests of the Board with those of shareholders. The Company has established guidelines for non-executive directors of the Company whereby they are required to hold at least three (3) times their annual retainer fee in equivalent Common Shares (valued using the market value of the Common Shares as of December 31 of the most recently completed year). Vested unexercised Options are not included in the calculation – only Common Share ownership. Any new non-executive directors have five (5) years to accumulate the required ownership level and must show an increase in holdings every year until the requirement is met. In the event the retainer fee is increased, a further two-year period is provided to meet the new share ownership target. See "Information Regarding Proposed Directors" for details regarding director share ownership and compliance with the Company's Share Ownership Guidelines. The following table shows the shareholdings by Tourmaline's independent directors, relative to their director share ownership requirements as of December 31, 2022.

DIRECTOR	REQUIRED SHARE OWNERSHIP AS A MULTIPLE OF ANNUAL RETAINER FEE	NUMBER OF SHARES AS OF DECEMBER 31, 2022 <sup>(1)</sup>	VALUE AS OF DECEMBER 31, 2022 <sup>(2)</sup>	MULTIPLE OF ANNUAL RETAINER FEE	MEETS MINIMUM SHARE OWNERSHIP REQUIREMENT
Jill T. Angevine	3	44,500	\$3,040,240	33.8	Yes
William D. Armstrong	3	400,000	\$27,328,000	303.6	Yes
Lee A. Baker	3	12,418	\$848,398	9.4	Yes
John W. Elick	3	27,000	\$1,844,640	20.5	Yes
Andrew B. MacDonald	3	75,500	\$5,158,160	57.3	Yes
Lucy M. Miller	3	15,136	\$1,034,092	11.5	Yes
Janet L. Weiss	3	9,883	\$675,207	7.5	Yes
Ronald C. Wigham	3	432,566	\$29,552,909	328.4	Yes

(1) Includes common shares only.

(2) Based on the December 31, 2022 closing price for Tourmaline Common Shares of \$68.32.

## SUMMARY COMPENSATION TABLE

The following table sets forth the compensation paid by the Company to the Named Executive Officers during the years ended December 31, 2022, 2021 and 2020.

SUMMARY COMPENSATION TABLE (\$)								
Name and Principal Position	Year	Salary	Option-Based Awards <sup>(1)</sup>	Share Based Awards <sup>(2)</sup>	Annual Incentive Plan	Long-Term Incentive Plan <sup>(3)</sup>	All Other Compensation <sup>(4)</sup>	Total Compensation
Michael Rose <sup>(5)</sup> Chairman, President and Chief Executive Officer	2022	600,000	–	248,155	3,500,000	–	572,000	4,920,155
	2021	600,000	459,564	–	4,500,000	–	60,000	5,619,564
	2020	600,000	184,377	–	3,750,000	–	60,000	4,594,377
Brian Robinson <sup>(5)</sup> Director and Vice President, Finance and Chief Financial Officer	2022	475,000	–	248,155	1,500,000	–	274,917	2,498,071
	2021	450,000	459,564	–	1,750,000	–	45,000	2,704,564
	2020	440,000	184,377	–	1,250,000	–	44,000	1,918,377
Sherra Aspin Vice President, Marketing	2022	400,000	1,092,204	248,155	1,000,000	–	182,000	2,922,359
	2021	350,000	459,564	–	750,000	–	35,000	1,594,564
	2020	325,000	184,377	–	400,000	–	32,500	941,877
Colin Frostad Vice President, Exploration	2022	400,000	1,092,204	248,155	550,000	–	131,667	2,422,025
	2021	350,000	459,564	–	550,000	–	35,000	1,394,564
	2020	310,000	230,472	–	400,000	–	31,000	971,472
Earl McKinnon Vice President, Operations	2022	500,000	1,365,255	310,233	1,000,000	–	208,333	3,383,822
	2021	425,000	574,455	–	1,000,000	–	42,500	2,041,955
	2020	400,000	230,472	–	600,000	–	40,000	1,270,472

### Notes:

- (1) Based on the grant date fair value of the applicable awards and does not reflect what was actually paid to the NEO in the calendar year. The fair value of Options granted are estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions for the years ended December 31, 2022, 2021 and 2020: weighted average risk-free interest rate of 3.37% for 2022, 0.88% for 2021 and 0.40% for 2020; dividend yield of 1.12% for 2022, 1.92% for 2021 and 2.9% for 2020; volatility factors of the market price of the Common Shares of 42.60% for 2022, 39.93% for 2021 and 39.78% for 2020; and an average expected life of the Options of 4.2 years for 2022, 4.5 years for 2021 and 5 years for 2020. This methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies. The Company's CEO, and CFO elected not to receive Options in 2022.
- (2) In 2022, the Company introduced the RSU Plan. RSUs vest evenly over three (3) years and the ultimate value realized by the NEO will be based on the Company's share price at the vesting date. The Company's share price when the RSUs were issued in 2022 was \$79.69 and this is the price used to calculate the non-cash compensation value.
- (3) The Company does not have any cash-based long-term incentive plans.
- (4) These amounts include contributions that the Company made to the ESPP on the NEOs behalf relating to base salary (as well as bonus in 2022). The value of other perquisites received by each of the NEOs, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year and therefore not included in the table above. The value of perquisites is based on the actual cost to the Company for items including health and dental care, life insurance and parking costs.
- (5) Messrs. Rose and Robinson received no additional compensation in their capacity as directors of the Company.

## INCENTIVE PLAN AWARDS

### Outstanding Option-Based Awards

The following table sets forth for each Named Executive Officer all option-based awards outstanding at December 31, 2022.

OPTION-BASED AWARDS					
Name	Number of Securities Underlying Unexercised Options (#) <sup>(1)</sup>	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options (\$) <sup>(2)</sup>	
Michael Rose	50,000	31.96	Jun. 23, 2028	1,818,000	
	26,666	17.57	Aug. 31, 2027	1,353,300	
	13,333	12.60	Aug. 31, 2026	742,915	
	20,000	22.05	Aug. 31, 2025	925,400	
	30,000	26.41	Nov. 15, 2024	1,257,300	
	30,000	34.29	Nov. 15, 2023	1,020,900	
Brian Robinson	33,333	31.96	Jun. 23, 2028	1,211,988	
	13,333	17.57	Aug. 31, 2027	676,650	
Sherra Aspin	40,000	77.49	Sep. 12, 2029	–	
	50,000	31.96	Jun. 23, 2028	1,818,000	
	40,000	17.57	Aug. 31, 2027	2,030,000	
	40,000	12.60	Aug. 31, 2026	2,228,800	
	30,000	22.05	Aug. 31, 2025	1,388,100	
	9,000	26.41	Nov. 15, 2024	377,190	
Colin Frostad	40,000	77.49	Sep. 12, 2029	–	
	33,333	31.96	Jun. 23, 2028	1,211,988	
	16,666	17.57	Aug. 31, 2027	845,800	
Earl McKinnon	50,000	77.49	Sep. 12, 2029	–	
	62,500	31.96	Jun. 23, 2028	2,272,500	
	33,333	17.57	Aug. 31, 2027	1,691,650	
	333	12.60	Aug. 31, 2026	18,555	

**Notes:**

- (1) Common Shares underlying unexercised Options. See "Schedule B - Summary of Share Option Plan".
- (2) Calculated based on the difference between the closing price of the Common Shares on December 31, 2022 of \$68.32 and the exercise price of the Options.

## Outstanding Share-Based Awards

The following table sets forth for each Named Executive Officer all share-based awards, being RSUs, outstanding at December 31, 2022.

SHARED - BASED AWARDS <sup>1</sup>			
Name	Number of RSUs that have not vested (#)	Market Value of RSUs that have not vested (\$) <sup>(1)</sup>	Market or payout value of RSUs that have not paid out (\$) <sup>(1)</sup>
Michael Rose	3,114	212,748	212,748
Brian Robinson	3,114	212,748	212,748
Sherra Aspin	3,114	212,748	212,748
Colin Frostad	3,114	212,748	212,748
Earl McKinnon	3,893	265,970	265,970

Notes:

- (1) The market value is based on the number of units outstanding multiplied by the Company's share price at December 31, 2022 of \$68.32 but the ultimate value realized by the NEO will be based on the Company's share price at the vesting date. In 2022, the Company introduced its RSU Plan. The RSUs vest evenly over three (3) years. There were no RSUs that vested in 2022. See "Schedule C – Summary of RSU Plan".

## Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of option-based awards and share-based awards that vested, and the value of non-equity incentive plan compensation earned, during the year ended December 31, 2022.

VALUE VESTED OR EARNED DURING THE YEAR			
Name	Option-based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-based Award – Value Vested during the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Michael Rose	2,159,035	–	3,500,000
Brian Robinson	2,159,035	–	1,500,000
Sherra Aspin	2,159,035	–	1,000,000
Colin Frostad	2,359,341	–	550,000
Earl McKinnon	2,482,018	–	1,000,000

Notes:

- (1) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the Options multiplied by the Options vested on the vesting date.
- (2) There were no RSUs that vested during the year ended December 31, 2022.

## Equity Incentive Plan Awards – Value of Equity Incentive Plan Awards Issued and Earned During the Last Five Years

The following table sets forth for each Named Executive Officer, the value of equity incentive plan awards which were issued and included in the calculation of total compensation in each of the last five (5) years along with the actual value earned and received from each of those awards.

VALUE OF EQUITY INCENTIVE PLAN AWARDS ISSUED, EARNED AND RECEIVED DURING THE LAST FIVE YEARS				
Name	Year	Compensation Value of Option-Based Awards Issued by Year <sup>(1)</sup> (\$)	Compensation Value of RSUs Issued by Year <sup>(2)</sup> (\$)	Actual Value Earned and Received from Equity Incentive Plan Awards by Year <sup>(3)</sup> (\$)
Michael Rose	2022	–	248,155	–
	2021	459,564	–	–
	2020	184,377	–	797,773
	2019	113,190	–	1,728,022
	2018	242,198	–	1,107,000
Brian Robinson	2022	–	248,155	–
	2021	459,564	–	828,108
	2020	184,377	–	1,268,786
	2019	113,190	–	922,158
	2018	242,198	–	–
Sherra Aspin	2022	1,092,204	248,155	–
	2021	459,564	–	–
	2020	184,377	–	–
	2019	113,190	–	–
	2018	181,649	–	–
Colin Frostad <sup>(4)</sup>	2022	1,092,204	248,155	–
	2021	459,564	–	663,378
	2020	230,472	–	907,307
Earl McKinnon	2022	1,365,255	310,233	–
	2021	574,455	–	–
	2020	230,472	–	–
	2019	113,190	–	768,560
	2018	242,198	–	–

### Notes:

- (1) Based on the grant date fair value of the applicable awards and does not reflect what was actually paid to the NEO in the calendar year. The fair value of Options granted are estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions for the years ended December 31, 2022, 2021, 2020, 2019, and 2018: weighted average risk-free interest rate of 3.37% for 2022, 0.88% for 2021, 0.40% for 2020, 1.18% for 2019, and 2.15% for 2018; dividend yield of 1.12% for 2022, 1.92% for 2021, 2.9% for 2020, 3.8% for 2019, and 1.69% for 2018; volatility factors of the market price of the Common Shares of 42.60% for 2022, 39.93% for 2021, 39.78% for 2020, 36.34% for 2019, and 33.35% for 2018; and an average expected life of the Options of 4.2 years for 2022, 4.5 years for 2021 and 5 years for each of 2020, 2019 and 2018. This methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies. The CEO, CFO, COO and certain other senior officers elected not to receive Options in 2022.
- (2) In 2022, the Company introduced its RSU Plan. The RSUs vest evenly over three (3) years. The Company's share price at issuance of the 2022 RSUs was \$79.69 and this is the price used to calculate the non-cash compensation value. The ultimate value realized by the NEO will be based on the Company's share price at the vesting date.
- (3) Based on the value earned and received from the exercise of Options issued in the last five (5) years as well as RSUs in 2022, which was nil as no RSUs vested in 2022.
- (4) Mr. Frostad was appointed Vice President, Exploration in November 2019 and became a Named Executive Officer in 2020.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Except for the accelerated vesting of Options and RSUs upon a Change of Control (as defined in the Share Option Plan and the RSU Plan), Tourmaline has not entered into or adopted any contract, agreement, plan or arrangement that provides for payments to an NEO at, following, or in connection with, any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Tourmaline or change in an NEO's responsibilities. This decision was made by the Board to ensure that in the event an outside party is interested in acquiring the Company, there are no negative hindrances associated with change of control severance contracts for NEOs which could potentially alter a decision that is ultimately in the best interest of the Company.

## DIRECTOR COMPENSATION

### Director Compensation Table

The following table sets forth information concerning the compensation, excluding reimbursement to directors for expenses incurred in attending Board and Committee meetings, paid to each of the Company's directors who was a director at any time in 2022, other than directors who are also NEOs, during the years ended December 31, 2022, 2021 and 2020.

COMPENSATION TABLE							
Name	Year	Fees Earned (\$)	Option-Based Awards <sup>(1)(2)</sup> (\$)	Annual Incentive Plan (\$)	Long-Term Incentive Plan (\$)	All Other Compensation (\$)	Total (\$)
Jill T. Angevine	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273
William D. Armstrong	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273
Lee A. Baker	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273
John W. Elick	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273
Andrew B. MacDonald	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273
Lucy M. Miller	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273
Janet L. Weiss <sup>(3)</sup>	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	40,000	27,863	—	—	—	67,863
Ronald C. Wigham	2022	90,000	94,626	—	—	—	184,626
	2021	85,000	99,591	—	—	—	184,591
	2020	80,000	42,273	—	—	—	122,273

#### Notes:

- (1) Based on the grant date fair value of the applicable awards and does not reflect what was actually paid to the director in the calendar year. The fair value of Options granted are estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions for the years ended December 31, 2022, 2021 and 2020 (except for Ms. Weiss' Option grant in July 2020 which is described in note 3; risk-free interest rate of 3.40% for 2022, 0.79% for 2021 and 0.34% for 2020; dividend yield of 1.12% for 2022, 1.92% for 2021 and 2.90% for 2020; volatility factors of the market price of the Common Shares of 43.20% for 2022, 41.39% for 2021 and 39.20% for 2020; and an average expected life of the Options of four (4) years for each year. This methodology was selected due to its acceptance as an appropriate valuation model used by similar sized oil and gas companies.
- (2) Other than Options, the Company did not grant any other Equity Incentive Awards to directors for the years ended December 31, 2022, 2021 or 2020.
- (3) Ms. Weiss was appointed to the Board on June 3, 2020. On July 15, 2020, Ms. Weiss was granted 10,000 Options. The fair value of the Options granted was estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 0.32%, dividend yield of 3.71%; volatility factor of the market price of the Common Shares of 38.81%; and an average expected life of the Options of four (4) years.

## Directors' Outstanding Option-Based Awards

The following table sets forth for each of the directors who was a director at any time in 2022, other than directors who are also NEOs, all option-based awards outstanding at December 31, 2022. Directors do not receive share-based awards.

OPTION-BASED AWARDS <sup>(1)</sup>				
Name	Number of Securities Underlying Unexercised Options <sup>(2)</sup> (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-The-Money Options <sup>(3)</sup> (\$)
Jill T. Angevine	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	10,000	17.57	Aug. 31, 2025	507,500
	10,000	12.60	Aug. 31, 2024	557,200
	10,000	22.05	Aug. 31, 2023	462,700
William D. Armstrong	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	10,000	17.57	Aug. 31, 2025	507,500
	10,000	12.60	Aug. 31, 2024	557,200
	10,000	22.05	Aug. 31, 2023	462,700
Lee A. Baker	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	6,666	17.57	Aug. 31, 2025	338,300
	3,333	12.60	Aug. 31, 2024	185,715
	6,000	22.05	Aug. 31, 2023	277,620
John W. Elick	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	6,666	17.57	Aug. 31, 2025	338,300
	10,000	22.05	Aug. 31, 2023	462,700
Andrew B. MacDonald	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	10,000	17.57	Aug. 31, 2025	507,500
	10,000	12.60	Aug. 31, 2024	557,200
	10,000	22.05	Aug. 31, 2023	462,700
Lucy M. Miller	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	6,666	17.57	Aug. 31, 2025	338,300
	3,333	12.60	Aug. 31, 2024	185,715
Janet L. Weiss	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	10,000	12.62	Jul. 15, 2025	557,000
Ronald C. Wigham	3,500	77.49	Sep. 12, 2027	–
	11,000	31.96	Jun. 23, 2026	399,960
	10,000	17.57	Aug. 31, 2025	507,500
	10,000	12.60	Aug. 31, 2024	557,200
	10,000	22.05	Aug. 31, 2023	462,700

Notes:

- (1) Other than Options, the Company did not grant any Long-Term Incentive Awards to directors for the years ended December 31, 2022, 2021 or 2020.
- (2) Common Shares underlying unexercised Options. See "Schedule B – Summary of Share Option Plan."
- (3) Calculated based on the difference between the closing price of the Common Shares on December 31, 2022 of \$68.32 and the exercise price of the Options.

## Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the directors who was a director at any time in 2022, other than directors who are also NEOs, the value of equity incentive awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022.

VALUE VESTED OR EARNED DURING THE YEAR		
Name	Option-Based Awards – Value Vested During the Year (\$) <sup>(1)(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$) <sup>(1)</sup>
Jill T. Angevine	525,015	–
William D. Armstrong	525,015	–
Lee A. Baker	525,015	–
John W. Elick	525,015	–
Andrew B. MacDonald	525,015	–
Lucy M. Miller	525,015	–
Janet L. Weiss	279,439	–
Ronald C. Wigham	525,015	–

Notes:

- (1) The Company did not grant any Share-Based Awards to Directors for the year ended December 31, 2022 and the Company did not pay any cash-based long-term incentives to directors in 2022.
- (2) Calculated based on the difference between the closing price of the Common Shares on the vesting date and the exercise price of the Options multiplied by the Options vested on the vesting date.

## Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of Common Shares authorized for issuance under the Company's equity compensation plans as at December 31, 2023 and April 21, 2023.

COMMON SHARES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS			
Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders – December 31, 2022 <sup>(1)</sup>	12,541,699	\$41.22	16,246,501
Percent of Outstanding shares	3.7%		4.8%
Equity compensation plans approved by securityholders – April 21, 2023 <sup>(2)</sup>	12,528,708	\$42.65	12,906,657
Percent of Outstanding shares	3.7%		3.8%
Equity compensation plans not approved by securityholders – December 31, 2022 and April 21, 2023 <sup>(3)</sup>	Nil	N/A	N/A

### Notes:

- (1) During the year ended December 31, 2022, the Company granted 4,074,175 Options pursuant to the Share Option Plan which represents 1.2% of the Common Shares outstanding at December 31, 2022. There were 7,824,396 Options exercised and 80,608 Options were cancelled or expired during the year ended December 31, 2022.
- (2) During the period from January 1, 2023 to April 21, 2023, the Company granted 463,000 Options pursuant to the Share Option Plan which represents 0.1% of the Common Shares outstanding at April 21, 2023. There were 453,491 Options exercised and 22,500 Options were cancelled or expired during the period from January 1, 2023 to April 21, 2023.
- (3) The RSU Plan is not required to be approved by shareholders because it does not allow for the issuance of common shares from treasury. No securities may be issued by the Company upon vesting of RSUs; vested RSUs are settled through the purchase of Common Shares on the open market by an independent third party.

## Indebtedness of Directors and Executive Officers

The Company is not aware of any individuals who are either current or former executive officers, directors or employees of the Company or any of its subsidiaries and who have indebtedness outstanding as at the date hereof (whether entered into in connection with the purchase of securities of the Company or otherwise) that is owing to: (a) the Company or any of its subsidiaries; or (b) another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

Except for: (a) indebtedness that has been entirely repaid on or before the date of this Circular; and (b) "routine indebtedness" (as defined in Form 51-102F5 of the Canadian Securities Administrators), the Company is not aware of any individuals who are, or who at any time during 2022 were, a director or executive officer of the Company, a proposed nominee for election as a director or an associate of any of those directors, executive officers or proposed nominees who are, or have been at any time since January 1, 2022, indebted to the Company or any of its subsidiaries, or whose indebtedness to another entity is, or at any time since January 1, 2022 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## Audit Committee Information

The information required by Form 52-110F1 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, including information regarding the fees billed to Tourmaline by KPMG LLP, Chartered Professional Accountants, Calgary, Alberta, is contained in Tourmaline's Annual Information Form for the year ended

December 31, 2022, under the heading "*Audit Committee Information*", an electronic copy of which is available on Tourmaline's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Comprehensive review of the external auditor**

Audit committees are integral to the audit process and it is the Audit Committee's responsibility to oversee the work of the external auditor. To fulfill this responsibility, in 2019, the Audit Committee conducted a comprehensive review of KPMG LLP's performance and effectiveness considering factors such as the:

- a. quality of services provided by KPMG LLP's engagement team during the audit period;
- b. relevant qualifications, and experience;
- c. quality of communications received from KPMG LLP; and
- d. KPMG LLP's independence, objectivity and professional skepticism.

The Comprehensive Review of the External Auditor performed by the Audit Committee was also undertaken as part of the reappointment process. The Audit Committee assessed KPMG LLP's performance, by obtaining input from Company Personnel, input from KPMG LLP relating to quality and regulatory inspections, and through discussions with the Board. The Audit Committee also considered the institutional familiarity threats created by audit firm tenure, focusing on the Audit Committee's assessment of the auditor's objectivity and their application of professional skepticism, the quality of the engagement team the audit firm has provided, including technical and industry expertise and its rotation plan for key partner roles established to mitigate the familiarity threat.

The Audit Committee also:

- a. oversaw the annual work of the auditor;
- b. reviewed the integrated audit plan and assessed the reasonableness of audit fees;
- c. monitored the execution of the integrated audit plan;
- d. reviewed and evaluated the external auditor's findings;
- e. pre-approved all engagements with KPMG LLP including non-audit services;
- f. received written confirmation from KPMG LLP of its independence and discussed the potential effects of any relationships that may reasonably be thought to bear on independence;
- g. met in camera with the auditor at every Audit Committee meeting; and
- h. conducted a comprehensive assessment of the external auditor.

Based on the comprehensive review performed in 2019 and after considering findings from the annual reviews performed in 2022 as well as in prior years, the Audit Committee concluded that it was satisfied with KPMG LLP's performance and approved and recommended that the Board recommend to shareholders the appointment of KPMG LLP as auditor of Tourmaline.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There were no material interests, direct or indirect, of any informed persons (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators) of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, in any transaction since the commencement of the most recently completed financial year of the Company or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

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

Management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or nominee for director, or executive officer of the Company or anyone who has held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing, in any matter to be acted on at the Meeting other than the election of directors.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information in respect of the Company and its affairs is provided in the Company's annual audited comparative Financial Statements for the years ended December 31, 2022 and 2021 and the related Management's Discussion and Analysis. Copies of the Company's Financial Statements and related Management's Discussion and Analysis are available on the Company's website at [www.tourmalineoil.com](http://www.tourmalineoil.com) as well as upon request from the Vice President, Finance and CFO of the Company, 403-266-5992 or [brian.robinson@tourmalineoil.com](mailto:brian.robinson@tourmalineoil.com).

## READER ADVISORIES

### Currency

All amounts in this Circular are stated in Canadian dollars unless otherwise specified.

### Website References

Information contained in or otherwise accessible through Tourmaline's website and other websites, though referenced herein, does not form part of this Circular and is not incorporated by reference into this Circular.

### Third-Party Information

This Circular includes market, industry and economic data which was obtained from various publicly available sources and other sources believed by Tourmaline to be true. Although Tourmaline believes it to be reliable, it has not independently verified any of the data from third-party sources referred to in this Circular, or analyzed or verified the underlying reports relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. Tourmaline believes that its market, industry, and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market, industry and economic data used throughout this Circular are not guaranteed and Tourmaline makes no representation as to the accuracy of such information.

### Forward-Looking Information

This Circular contains forward-looking information and statements (collectively, "**forward-looking information**") within the meaning of applicable securities laws. The use of any of the words "forecast", "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information. More particularly and without limitation, this Circular contains forward-looking information concerning: the business of and procedure and timing for the Meeting; the composition of the Board following the Meeting; the belief that electronic delivery and Notice and Access will save paper, reduce our impact on the environment and reduce costs; management's expectation that none of the nominees for director will be unable to serve as director; the intended aims of compensation for directors and NEOs; the belief that an effective senior leadership team and dedicated employees will allow Tourmaline to execute its strategy and deliver strong results; Tourmaline's belief that the key executive compensation governance practices are consistent with best practices, support Tourmaline's business objectives and align with shareholder interests; estimated values of compensation components and those of the Peer Group; that the Company's compensation policies and programs do not encourage excessive risk that could have a material adverse effect on Tourmaline; the determination that it does not believe that there are any identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse impact on the Company; Tourmaline's belief that it provides the right balance in its overall rewards program to attract, engage and retain talented, capable executives; Tourmaline's belief that a diversity of backgrounds, opinions and perspectives and a culture of inclusion helps to create a healthy and dynamic workplace which improves overall business performance; the belief that the most effective way to achieve Tourmaline's goal of increasing the representation of women in leadership roles at all levels of the organization is to identify high-potential women within the Company and acquire the experience and have the opportunities necessary to become effective leaders; the anticipated effects of Tourmaline's corporate governance practices and those of the Board; Tourmaline's belief in diversity amongst Board members and its workforce and plans with respect to diversity; Tourmaline's plans and other aspects of its anticipated future operations, management focus, objectives, strategies, financial, operating and production results and business opportunities, including the following: anticipated petroleum and natural gas production and production growth for various periods; the future declaration and payment of dividends and the timing and amount thereof; cash flow, cash flow per share, free cash flow, and net debt to cash flow levels; capital spending; as well as Tourmaline's future drilling prospects and plans, business strategy, future development and growth opportunities, prospects and asset base. The forward-looking information is based on certain key expectations and assumptions made by Tourmaline, including expectations and assumptions concerning: prevailing and

future commodity prices and currency exchange rates; applicable royalty rates and tax laws; interest and foreign exchange rates; future well production rates and reserve volumes; operating costs the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells; anticipated timing and results of capital expenditures; the sufficiency of budgeted capital expenditures in carrying out planned activities; the timing, location and extent of future drilling operations; the successful completion of acquisitions and dispositions; the state of the economy and the exploration and production business; the availability and cost of financing, labour and services; and ability to market crude oil, natural gas and NGL successfully. Without limitation of the foregoing, future dividend payments, if any, and the level thereof is uncertain, as the Company's dividend policy and the funds available for the payment of dividends from time to time will be dependent upon, among other things, free cash flow, financial requirements for the Company's operations and the execution of its growth strategy, fluctuations in working capital and the timing and amount of capital expenditures, debt service requirements and other factors beyond the Company's control. Further, the ability of Tourmaline to pay dividends will be subject to applicable laws (including the satisfaction of the solvency test contained in applicable corporate legislation) and contractual restrictions contained in the instruments governing its indebtedness, including its credit facility.

Statements relating to "reserves" are also deemed to be forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated and that the reserves can be profitably produced in the future.

Although Tourmaline believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Tourmaline can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to: the risks associated with the oil and gas industry in general such as operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to reserves, production, revenues, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; interest rate fluctuations; marketing and transportation; loss of markets; political, geopolitical and social policy and regulatory risks; competition; incorrect assessment of the value of acquisitions; failure to complete or realize the anticipated benefits of acquisitions or dispositions; ability to access sufficient capital from internal and external sources; failure to obtain required regulatory and other approvals; and changes in legislation, including but not limited to tax laws, royalties and environmental regulations. Readers are cautioned that the foregoing list of factors is not exhaustive.

Additional information on these and other factors that could affect Tourmaline, or its operations or financial results, are included in the Company's most recently filed Management's Discussion and Analysis (See "*Forward-Looking Statements*" therein), Annual Information Form (See "*Risk Factors*" and "*Forward-Looking Statements*" therein) and other reports on file with applicable securities regulatory authorities and may be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com) or Tourmaline's website at [www.tourmalineoil.com](http://www.tourmalineoil.com).

The forward-looking information contained in this Circular is made as of the date hereof and Tourmaline undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless expressly required by applicable securities laws.

## Reserves Data

The reserves data set forth in this Circular is based upon the reports of GLJ Petroleum Consultants Ltd. ("GLJ") and Deloitte LLP, each dated effective December 31, 2022, which have been consolidated into one report by GLJ and adjusted to apply certain of GLJ's assumptions and methodologies and pricing and cost assumptions. The price forecast used in the reserve evaluations is an average of forecast prices published by Sproule Associates Ltd. as at December 31, 2022 and GLJ and McDaniel & Associates Consultants Ltd. as at January 1, 2023 (each of which is available on their respective websites at [www.sroule.com](http://www.sroule.com), [www.gljpc.com](http://www.gljpc.com), and [www.mcdan.com](http://www.mcdan.com)), and is contained in the Company's Annual Information Form for the year ended December 31, 2022, which is available for review on SEDAR at [www.sedar.com](http://www.sedar.com).

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve information set forth above are estimates only. In general, estimates of economically recoverable crude oil, natural gas and NGL reserves are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially. For those reasons, estimates of the economically recoverable crude oil, NGL and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The Company's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to effects of aggregations. There is no assurance that the forecast prices and cost assumptions used in the reserve evaluations will be attained and variances could be material.

### BOE Equivalency

In this Circular, production and reserves information may be presented on a "barrel of oil equivalent" or "boe" basis. The boe measure may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf:1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, as the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

### Industry Metrics

This Circular contains metrics commonly used in the oil and natural gas industry. Each of these metrics is determined by the Company as set out elsewhere in this Circular. Included in these metrics is "FD&A" costs". These metrics are considered "non-GAAP ratios" and do not have standardized meanings and may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. See "Non-GAAP and Other Financial Measures" in this Circular and in the Annual MD&A. The non-GAAP financial measure used as a component of these non-GAAP ratios are capital expenditures.

Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare the Company's performance over time, however, such measures are not reliable indicators of the Company's future performance and future performance may not compare to the performance in previous periods.

"FD&A" costs are calculated by dividing the sum of the total capital expenditures for the year inclusive of the net acquisition costs and disposition proceeds (in dollars) by the change in reserves within the applicable reserves category inclusive of changes due to acquisitions and dispositions (in boe). FD&A costs, including Future Development Costs ("FDC"), includes all capital expenditures in the year inclusive of the net acquisition costs and disposition proceeds as well as the change in FDC required to bring the reserves within the specified reserves category on production.

### Non-GAAP and Other Financial Measures

This Circular contains certain specified financial measures consisting of non-GAAP financial measures, non-GAAP financial ratios and supplementary financial measures. See "*Non-GAAP and Other Financial Measures*" in the Company's management's discussion and analysis for the year ended December 31, 2022 (the "**Annual MD&A**") for information regarding non-GAAP financial measures, non-GAAP financial ratios and supplementary financial measures. Since these specified financial measures do not have standardized meanings under International Financial Reporting Standards ("**GAAP**"), securities regulations require that, among other things, they be identified, defined, qualified and, where required, reconciled with their nearest GAAP measure and compared to the prior period. The non-GAAP and other financial measures used by the

Company may not be comparable to similar measures presented by other companies and should not be considered an alternative to or more meaningful than the most directly comparable financial measure presented in the Company's Financial Statements, as applicable, as an indication of the Company's performance. Descriptions of the Company's non-GAAP and other financial measures included in this Circular, and reconciliations to the most directly comparable GAAP measure, as applicable, are provided below as well as in the "Non-GAAP and Other Financial Measures" section of the Annual MD&A, which section is incorporated by reference herein and available on SEDAR at [www.sedar.com](http://www.sedar.com).

## Non-GAAP Financial Measures

### Cash Flow

Management uses the term "cash flow" for its own performance measure and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund its future growth expenditures, to repay debt or to pay dividends. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. A summary of the reconciliation of cash flow from operating activities to cash flow, is set forth below:

<i>(000s)</i>	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Cash flow from operating activities (per GAAP)	\$ 1,115,399	\$ 1,058,460	\$ 4,692,731	\$ 2,847,117
Current Income Taxes	(7,599)	–	(11,934)	–
Change in non-cash working capital (deficit)	294,847	(90,224)	203,152	82,009
Cash flow	\$ 1,402,647	\$ 968,236	\$ 4,883,949	\$ 2,929,126

### Capital Expenditures

Management uses the term "capital expenditures" as a measure of capital investment in exploration and production activity, as well as property acquisitions and divestitures, and such spending is compared to the Company's annual budgeted capital expenditures. The most directly comparable GAAP measure for capital expenditures is cash flow used in investing activities. A summary of the reconciliation of cash flow used in investing activities to capital expenditures, is set forth below:

<i>(000s)</i>	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Cash flow used in investing activities (per GAAP)	\$ 548,471	\$ 468,384	\$ 1,971,129	\$ 1,380,111
Corporate acquisitions	–	–	(67,770)	–
Proceeds from sale of investments	–	–	–	103,824
Change in non-cash working capital (deficit)	(42,489)	(20,923)	(24,012)	106,436
Capital expenditures	\$ 505,982	\$ 447,461	\$ 1,879,347	\$ 1,590,371

## Free Cash Flow

Management uses the term "free cash flow" for its own performance measure and to provide shareholders and potential investors with a measurement of the Company's efficiency and its ability to generate the cash necessary to fund its future growth expenditures, to repay debt and provide shareholder returns. Free cash flow is defined as cash flow less capital expenditures, excluding acquisitions and dispositions. Free cash flow is prior to dividend payment. The most directly comparable GAAP measure for cash flow is cash flow from operating activities. See "Non-GAAP Financial Measures – Cash Flow" and " Non-GAAP Financial Measures – Capital Expenditures" above.

(000s)	Three Months Ended December 31,		Years Ended December 31,	
	2022	2021	2022	2021
Cash flow	\$ 1,402,647	\$ 968,236	\$ 4,883,949	\$ 2,929,126
Capital expenditures	(505,982)	(447,461)	(1,879,347)	(1,590,371)
Property acquisitions	12,126	26,721	273,843	545,861
Proceeds from divestitures	(109)	(1,560)	(71,489)	(392,556)
Free Cash Flow	\$ 908,682	\$ 545,936	\$ 3,206,956	\$ 1,492,060

## Supplementary Financial Measures

The following measures are supplementary financial measures: cash flow per diluted share, operating costs (\$/boe), G&A costs (\$/boe), and 2P FD&A (\$/boe). These measures are calculated by dividing the numerator by a diluted share count or by total production for the period, depending on the financial measure discussed. See "Reserves Performance Ratios" and "Industry Metrics" in the Company's 2022 earnings release dated March 1, 2023 for information on the composition of the non-GAAP financial measures used as a component of, and comparative period data for, finding, development and acquisition costs.

## Total Shareholder Returns

Total Shareholder Return ("TSR") is a supplementary financial measure, expressed as a percentage, that represents the total return on investment generated for the Company's shareholders as a result of common share price performance and the reinvestment of dividends over the related period. The Company considers TSR a key measure of the financial performance of the Company and the benefits generated for the Company's shareholders.

## Certain Definitions

<i>bbl</i>	barrel
<i>bbls/d</i>	barrels per day
<i>bbl/d</i>	barrels per day
<i>boe</i>	barrel of oil equivalent
<i>boe/d</i>	barrel of oil equivalent per day
<i>mboe</i>	thousand barrels of oil equivalent
<i>mcf</i>	thousand cubic feet
<i>mamboe</i>	million barrels of oil equivalent
<i>NGL or NGLs</i>	natural gas liquids
<i>JKM</i>	Japan Korea Marker
<i>tcf</i>	trillion cubic feet

## SCHEDULE A – MANDATE OF THE BOARD OF DIRECTORS

### General

The Board of Directors (the "**Board**") of Tourmaline Oil Corp. (the "**Company**" or "**Tourmaline**") is responsible for the stewardship of the Company. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of Tourmaline. In general terms, the Board will:

- in consultation with the chief executive officer of the Company (the "**CEO**"), define the principal objectives of Tourmaline;
- supervise the management of the business and affairs of Tourmaline with the goal of achieving Tourmaline's principal objectives as developed in association with the CEO;
- discharge the duties imposed on the Board by applicable laws; and
- for the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

### Specific

#### Executive Team Responsibility

- Appoint the CEO and senior officers, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at maximizing shareholder value.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of management's responsibilities.
- Establish processes as required that adequately provide for succession planning, including the appointing, training and monitoring of senior management. The Board's goal is to have a long-term and continuing program for effective senior leadership development and succession. The Board also considers contingency plans in place for emergencies involving the CEO or other executive officers.
- Establish limits of authority delegated to management.

#### Operational Effectiveness and Financial Reporting

- Annual review and adoption of a strategic planning process and approval of Tourmaline's strategic plan, which takes into account, among other things, the opportunities and risks of the business.
- Establish or cause to be established systems to identify the principal risks to Tourmaline and that the best practical procedures are in place to monitor and mitigate the risks.
- Establish or cause to be established processes to address applicable regulatory, corporate, securities and other compliance matters.
- Establish or cause to be established an adequate system of internal control.
- Establish or cause to be established due diligence processes and appropriate controls with respect to applicable certification requirements regarding Tourmaline's financial and other disclosure.
- Review and approve Tourmaline's Financial Statements and oversee Tourmaline's compliance with applicable audit, accounting and reporting requirements.
- Approve annual operating and capital budgets.
- Review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets.
- Review operating and financial performance results relative to established strategy, budgets and objectives.

## **Integrity/Corporate Conduct**

- Establish a communications policy or policies to ensure that a system for corporate communications to all stakeholders exists, including processes for consistent, transparent, regular and timely public disclosure, and to facilitate feedback from stakeholders.
- Approve a Business Conduct & Ethics Practice for directors, officers and employees and monitor compliance with the Practice and approve any waivers of the Practice for officers and directors.
- To the extent feasible, satisfy itself as to the integrity of the CEO and other executive officers of the Company and that the CEO and other executive officers create a culture of integrity throughout Tourmaline.

## **Board Process/Effectiveness**

- A quorum for meetings of the Board will be at least 50% of its members.
- Attempt to ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to the meeting. Directors are expected to attend all meetings.
- Engage in the process of determining Board member qualifications with the Corporate Governance and Nominating Committee including ensuring that a majority of directors qualify as independent directors pursuant to NI 58-101 - Disclosure of Corporate Governance Practices (as implemented by the Canadian Securities Administrators and as amended from time to time) and that the appropriate number of independent directors are on each committee of the Board as required under applicable securities rules and requirements.
- Approve the nomination of directors.
- Provide a comprehensive orientation to each new director.
- Establish an appropriate system of corporate governance including practices to ensure the Board functions independently of management.
- Establish appropriate practices for the regular evaluation of the effectiveness of the Board, its committees and its members.
- Establish committees and approve their respective mandates and the limits of authority delegated to each committee.
- Review and re-assess the adequacy of the mandate of the committees of the Board on a regular basis, but not less frequently than on an annual basis.
- Review the adequacy and form of the directors' compensation to ensure it realistically reflects the responsibilities and risks involved in being a director.

Each member of the Board is expected to understand the nature and operations of Tourmaline's business, and have an awareness of the political, economic and social trends prevailing in all countries or regions in which Tourmaline operates, or is contemplating potential operations.

Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.

The Board may retain persons having special expertise and may obtain independent professional advice to assist it in fulfilling its responsibilities at the expense of the Company, as determined by the Board.

In addition to the above, adherence to all other Board responsibilities as set forth in the Company's By-Laws, applicable policies and practices and other statutory and regulatory obligations, such as issuance of securities, etc., is expected.

## Delegation

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.
- Subject to terms of the Disclosure, Confidentiality and Trading Policy and other policies and procedures of Tourmaline, the Chairman of the Board will act as a liaison between stakeholders of Tourmaline and the Board (including independent members of the Board).

## SCHEDULE B – SUMMARY OF SHARE OPTION PLAN

The following is a summary of the material terms of the share option plan, as amended by Tourmaline (the "**Option Plan**"). This summary is qualified in its entirety by reference to the full text of the Option Plan, a copy of which can be obtained from the Company's Secretary.

### Purpose and Administration of the Option Plan

The purpose of the Option Plan is to develop the interest of existing or proposed officers, directors, employees and Service Providers (as defined below) of the Company and its subsidiaries and other persons who provide or are proposed to provide ongoing management or consulting services to the Company or its subsidiaries in the growth and development of the Company by providing them with the opportunity through Options to acquire an increased proprietary interest in the Company. For the purposes of the Option Plan, "*Service Provider*" means a person or company engaged, or proposed to be engaged, by the Company to provide services for an initial, renewable or extended period of 12 months or more.

The Option Plan is administered by the Board, or if appointed, by a committee of directors appointed from time to time by the Board (such committee, or if no such committee is appointed, the Board is hereinafter referred to as the "**Committee**") pursuant to rules of procedure fixed by the Board.

### Granting of Options

The Committee has the authority to designate existing or proposed directors, officers, employees and Service Providers of the Company or its subsidiaries (collectively, the "**Optionees**") to whom Options to purchase Common Shares may be granted and the number of Common Shares to be optioned to each and may grant such Options, subject to the provisions of the Option Plan as summarized below.

The Option Plan provides that:

- a. the number of Common Shares reserved for issuance on exercise of all Options outstanding under the Option Plan at any time shall not exceed 7.5% of the Outstanding Common Shares (as defined in the Option Plan) at the time in question (the "**Common Share Maximum**") subject to adjustment as set forth in the Option Plan;
- b. the number of Common Shares reserved for issuance under the Option Plan to any one Optionee shall not exceed 5% of the Outstanding Common Shares;
- c. the number of Common Shares issuable to Insiders (as defined in the Option Plan), at any time, under all Share Compensation Arrangements (as defined in the Option Plan), shall not exceed 10% of the Outstanding Common Shares;
- d. the number of Common Shares issued to Insiders, within any one-year period, under all Share Compensation Arrangements, shall not exceed 10% of the Outstanding Common Shares; and
- e. the value of Options granted to any one director of the Company who is not an officer or employee of the Company or its subsidiaries during a calendar year, as calculated on the date of grant, shall not exceed \$100,000.

Any increase in the Outstanding Common Shares (whether as a result of the exercise of Options or otherwise) will result in an increase in the number of Common Shares that may be issued on exercise of Options outstanding at any time and any decrease in the number of Options outstanding, due to the exercise of Options, will make new grants available under the Option Plan.

The Common Shares that are reserved for issuance on exercise of Options granted pursuant to the Option Plan that are cancelled, terminated or expire prior to the exercise of all or a portion thereof are available for a subsequent grant of Options pursuant to the Option Plan to the extent that any Common Shares issuable thereunder are not issued under such cancelled, terminated or expired Options.

## Vesting

In the absence of any determination otherwise at the time of grant, vesting of Options shall be as to one third of the number of Options granted on the first anniversary of the date of grant and as to one third of the number of Options granted on the anniversary of the date of grant on each of the next two (2) succeeding years thereafter. Notwithstanding the foregoing, vesting of Options shall accelerate and Options shall be exercisable immediately prior to the time that a change of control takes place and as otherwise provided herein. Further, the Committee may accelerate, or provide for the acceleration of, vesting of Options previously granted where exceptional circumstances exist as determined by the Committee and confirmed by the Board.

## Exercise Price

The exercise price (the "**Exercise Price**") of any Option will be fixed by the Committee when such Option is granted, provided that from and after the date that the Common Shares are listed on a stock exchange (the "**Exchange**"), such price shall not be less than the Current Market Price. For this purpose, "*Current Market Price*" means the volume weighted average trading price of the Common Shares on the Exchange (or if the Common Shares are listed on more than one (1) stock exchange, on such stock exchange as may be designated by the Committee for such purpose) for the five (5) trading days immediately preceding the date of the grant of Options and, for this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period; or, if the Common Shares are not listed on any Exchange, a price determined by the Committee.

## Option Terms

The period during which an Option is exercisable (the "**Exercise Period**") shall, subject to the provisions of the Option Plan requiring acceleration of rights of exercise, be such period as may be determined by the Committee at the time of grant provided that no Option may be exercised beyond the maximum term of the Options. The maximum term of the Options was increased from five (5) to seven (7) years from the date of grant, with respect to Options granted subsequent to such increase. Each Option shall, among other things, contain provisions to the effect that the Option shall be personal to the Optionee and shall not be assignable. In addition, each Option shall provide that:

- a. **Termination for Cause** – if the Optionee shall no longer be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company, as a result of termination for cause, effective at the date on which notice is given to the Optionee of such termination, all Options held by the Optionee, whether vested at such date or unvested, shall terminate and become null and void;
- b. **Termination not for Cause** – if the Optionee shall no longer be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company, as a result of termination other than termination for cause, effective at the earlier of the date which is thirty (30) days following the date on which notice is given in respect of such termination and the end of the Exercise Period, all Options held by the Optionee which have not vested at such date shall terminate and become null and void, unless determined otherwise by the Committee in its sole discretion. With respect to the portion of the outstanding Options which are held by such Optionee and which have vested at the expiration of such period, unless determined otherwise by the Committee in its sole discretion, the Optionee shall have until the earlier of:
  - i. three (3) months from the date on which notice is given in respect of such termination; or
  - ii. the end of the Exercise Period; to exercise any Options which have vested as aforesaid and any vested Options which have not been so exercised shall terminate and become null and void;
- c. **Voluntary Resignation** – if the Optionee voluntarily ceases to be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company other than as a result of such Optionee's disability, retirement or death, effective at the earlier of the last day of any notice period applicable in respect of such voluntary resignation and the date on which the Optionee ceases to be a Service Provider, all Options held by the Optionee, whether vested at such date or unvested, shall terminate and become null and void;

- d. **Disability** – if an Optionee ceases to be an officer of or be in the employ of, or a consultant or other Service Provider to either the Company or a subsidiary of the Company as a result of such Optionee's disability as defined in the Option Plan, all Options granted to such Optionee shall not change as a result of such Optionee's disability;
- e. **Retirement** – if an Optionee ceases to be an officer of or be in the employ of, or a consultant or other Service Provider to either the Company or a subsidiary of the Company as a result of such Optionee's retirement as defined in the Option Plan, if on the date of such Optionee's retirement, the Optionee has provided services to the Company or a subsidiary of the Company for a period of five (5) years or such other period as may be determined by the Committee, the Optionee shall only have until the earlier of:
- i. thirty-six (36) months from the date of such Optionee's retirement or such other date as may be determined by the Committee; or
  - ii. the end of the Exercise Period; to exercise any Options which have vested at the date of exercise, and at the expiration of such period any Options which have not been exercised shall terminate and become null and void.

Furthermore, the Committee shall have the discretion, if it feels that it is appropriate, to alter the consequences of the retirement of an Optionee on such Optionee's outstanding Options; and

- f. **Death** – if the Optionee shall no longer be an officer of or be in the employ of, or consultant or other Service Provider to, either the Company or a subsidiary of the Company, as a result of the death of the Optionee, all Options which have not vested at such date shall immediately vest and the executor, administrator or personal representative of such Optionee shall have until the earlier of:
- i. twelve (12) months from the date of death of such Optionee; or
  - ii. the end of the Exercise Period;
- to exercise any outstanding Options, and at the expiration of such period, any Options which have not been exercised shall terminate and become null and void.

For the purposes of the Option Plan and any Options granted pursuant to the Option Plan, the Optionee shall be deemed to have ceased to be an employee or Service Provider of the Company or any subsidiary of the Company, as applicable, and the Optionee shall be deemed to have terminated or resigned from employment or other service arrangement with the Company for the purposes hereof or for the purposes of any Option issued pursuant to the terms hereof on the first to occur of such termination or resignation or the date (as determined by the Committee) that the Optionee ceases in the active performance of all of the regular duties of the Optionee's job, which includes the carrying on of all of the usual and customary day-to-day duties of the job for the normal and scheduled number of hours in each working day, or the Optionee ceases to provide services pursuant to the services arrangement, as applicable; the foregoing to apply whether or not adequate or proper notice of termination shall have been provided by and to the Company in respect of such termination of employment or other service arrangement.

The Option Plan does not confer upon an Optionee any right with respect to continuation of employment by the Company or any subsidiary thereof, nor does it interfere in any way with the right of the Optionee, the Company or a subsidiary thereof to terminate the Optionee's employment or service provision at any time.

If the normal expiry date of any Options fall within any Blackout Period (as defined in the Option Plan) or within ten (10) business days following the end of any Blackout Period ("**Blackout Options**"), then the Expiry Date of such Blackout Options shall, without any further action, be extended to the date that is ten (10) business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the date of grant and shall not be considered an extension of the term of the Options.

## Cashless Exercise

Subject to the provisions of the Option Plan, if permitted by the Board, an Optionee may elect to exercise an Option by surrendering such Option in exchange for the issuance of Common Shares equal to the number determined by multiplying the number of Common Shares which the Optionee is entitled to purchase pursuant to the Options being surrendered by a fraction of which the numerator is the difference between the Current Market Price (calculated as at the date of exercise) and the exercise price of such Option and of which the denominator is the Current Market Price (calculated as at the date of exercise). An Option may be exercised pursuant to this Section from time to time by delivery to the Company at its head office in Calgary, Alberta or such other place as may be specified by the Company, of a written notice of exercise specifying that the Optionee has elected a cashless exercise of such Option and the number of Options to be exercised. The Company will not be required, upon the exercise of any Options pursuant to this Section, to issue fractions of Common Shares. There will be paid to the Optionee by the Company upon the exercise of such Options pursuant to this Section within ten (10) business days after the exercise date, an amount in lawful money of Canada to the then fair market value of such fractional interest (as determined by the Board), provided that the Company will not be required to make any payment, calculated as aforesaid, that is less than \$10.00. Upon exercise of the foregoing, the number of Common Shares actually issued shall be deducted from the number of Common Shares reserved with the Exchange for future issuance under the Option Plan and the balance of the Common Shares that were issuable pursuant to the Options so surrendered shall be considered to have been cancelled and available for further issuance.

## Mergers, Amalgamation and Sale

If the Company becomes merged (whether by plan of arrangement or otherwise) or amalgamated in or with another company or entity or sells the whole or substantially the whole of its assets and undertakings for shares or securities of another company or other entity, the Company will, subject to the Option Plan, make provision that, upon exercise of an Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Optionee will receive such number of shares of the continuing successor company or other entity in such merger or amalgamation or the securities or shares of the purchasing company or other entity as the Optionee would have received as a result of such merger, amalgamation or sale if the Optionee had purchased the shares of the Company immediately prior thereto for the same consideration paid on the exercise of the Option and had held such shares on the effective date of such merger, amalgamation or sale and, upon such provision being made, the obligation of the Company to the Optionee in respect of the Common Shares subject to the Option will terminate and be at an end and the Optionee will cease to have any further rights in respect thereof. Alternatively, and in lieu of making such provision, in the event of such merger, amalgamation or sale, the Company may satisfy any obligations to an Optionee by paying to the Optionee, in cash, the difference between the Exercise Price of all unexercised Options held by the Optionee and the fair market value of the securities to which the Optionee would be entitled upon exercise of all unexercised Options. Adjustments under the Option Plan or any determinations as to fair market value of any securities will be made by the Committee, and any reasonable determination made by the Committee will be binding and conclusive.

## Acceleration of Vesting and Termination of Option in the Event of Take-Over Bid

In the event of a Take-Over Bid (as defined in the Option Plan), Optionees have the right to exercise Options granted pursuant to the Option Plan to purchase all of the Common Shares which have not been previously purchased under such Options, but any such Common Shares not otherwise vested and exercisable may only be purchased for tender pursuant to such Take-Over Bid. If for any reason such Common Shares are not so tendered or, if tendered, are not for any reason taken up and paid for by the offeree pursuant to such Take-Over Bid, any such Common Shares so purchased by an Optionee will be and be deemed to be cancelled and returned to treasury of the Company, will be added back to the number of Common Shares, if any, remaining unexercised under the applicable Option and, upon presentation to the Company of share certificates representing such shares properly endorsed for transfer back to the Company, the Company will refund to the Optionee all consideration paid on the exercise thereof. In the event a Take-Over Bid is made and Common Shares are taken up and paid for pursuant to such Take-Over Bid, the Company will have the right to satisfy any obligations to an Optionee in respect of any Options not exercised by paying to the Optionee, in cash, the difference

between the Exercise Price of unexercised Options and the fair market value of the securities to which the Optionee would have been entitled upon exercise of the unexercised Options on such date, which determination of fair market value will be conclusively made by the Committee. Upon payment as aforesaid, the Options will terminate and be at an end and the Optionee will cease to have any further rights in respect thereof.

### **Alterations in Shares**

In the event, at any time or from time to time, that the share capital of the Company shall be consolidated or subdivided prior to the exercise by the Optionee, in full, of any Option in respect of all of the Common Shares granted or the Company shall pay a dividend (other than in the ordinary course) upon the Common Shares by way of issuance to the holders thereof of additional Common Shares, securities or other assets, or other relevant changes in the share capital of the Company shall occur, Options with respect to any Common Shares which have not been purchased at the time of any such consolidation, subdivision, stock dividend or other change shall be proportionately adjusted (including as to the number of Common Shares subject to the Option and the exercise price thereof, as applicable) so that the Optionee will from time to time, upon the exercise of an Option, be entitled to receive the number of shares, securities or other property of the Company he or she would have held following such consolidation, subdivision, stock dividend or other change if the Optionee had purchased the shares and had held such shares immediately prior to such consolidation, subdivision, stock dividend or other change. Upon any such adjustments being made, the Optionee will be bound by such adjustments and shall accept the terms of such Options in lieu of the Options previously outstanding.

For greater certainty, and anything above to the contrary notwithstanding, no adjustment will be made in accordance with the Option Plan with respect to the issue of Common Shares being made pursuant to or in connection with:

- a. any stock option plan or stock purchase plan, including the Option Plan, in force from time to time for existing or proposed officers, directors, employees or Service Providers of the Company; or
- b. the issuance of additional Common Shares pursuant to a public offering or private placement by the Company or a take-over bid made by the Company for the securities of another entity.

### **Option Agreements**

A written agreement will be entered into between the Company and each Optionee to whom an Option is granted pursuant to the Option Plan, which agreement will set out the number of Common Shares subject to Option, the Exercise Price, provisions as to vesting and expiry and any other terms approved by the Committee, all in accordance with the provisions of the Option Plan. The agreement will be in such form as the Committee may from time to time approve or authorize the officers of the Company to enter into and may contain such terms as may be considered necessary in order that the Option will comply with the Option Plan, any provisions respecting Options in the income tax or other laws in force in any country or jurisdiction of which the person to whom the Option is granted may from time to time be a resident or citizen and the rules of any regulatory body having jurisdiction over the Company.

### **Regulatory Authorities Approvals**

The Option Plan and the Company's obligation to issue and deliver Common Shares under any Option is subject to the approval, if required, of any Exchange on which the Common Shares are listed for trading. Any Options granted prior to such approval, if required, is conditional upon such approval being given and no such Options may be exercised unless such approval, if required, is given.

## Amendment or Discontinuance of the Option Plan

The Committee may amend or discontinue the Option Plan and Options granted thereunder at any time without shareholder approval; provided any amendment to the Option Plan that requires approval of any Exchange on which the Common Shares are listed for trading may not be made without approval of such Exchange. Without the prior approval of the shareholders, or such approval as may be required by the Exchange, the Committee may not:

- a. make any amendment to the Option Plan to increase the Common Share Maximum;
- b. reduce the exercise price of any outstanding Options;
- c. cancel an Option and subsequently issue the holder of such Option a new Option or other entitlements in replacement thereof;
- d. extend the term of any outstanding Option beyond the original expiry date of such Option;
- e. make an amendment to increase the maximum limit on the number of securities that may be issued to insiders;
- f. make an amendment to increase the value of Options issuable to directors who are not officers or employees of the Company or its subsidiaries;
- g. make any amendment to the Option Plan that would permit an Optionee to transfer or assign Options to a new beneficial Optionee other than in the case of death of the Optionee; or
- h. make an amendment to amend the amendment provisions of the Option Plan.

The Committee may amend or terminate the Option Plan or any outstanding Option granted thereunder at any time without the approval of the Company, the shareholders of the Company or any Optionee whose Option is amended or terminated, in order to conform the Option Plan or such Option, as the case may be, to applicable law or regulation or the requirements of any relevant Exchange or regulatory authority, whether or not that amendment or termination would affect any accrued rights, subject to the approval of that Exchange or regulatory authority.

In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of the Optionee, if it adversely alters or impairs any Option previously granted to such Optionee under the Option Plan.

## SCHEDULE C – SUMMARY OF RSU PLAN

The following is a summary of the material terms of the restricted share unit award plan (the “**RSU Plan**”). This summary is qualified in its entirety by reference to the full text of the RSU Plan, a copy of which can be obtained from the Company’s Secretary.

### Purpose and Administration of the RSU Plan

The principal purposes of the RSU Plan are to:

- a. retain and attract qualified Service Providers (as defined below) for the Company and its subsidiaries;
- b. to promote a proprietary interest in the Company by such Service Providers and to encourage such persons to remain in the employ or service of the Company and its subsidiaries and put forth maximum efforts for the success of the business and affairs of the Company and its subsidiaries; and
- c. to focus management of the Company on operating and financial performance and long-term total shareholder return.

For the purposes of the RSU Plan, “Service Provider” means a person or entity who is an employee, officer or director of the Company or any of its subsidiaries or affiliates or who is a consultant or other service provider to the Company or any of its subsidiaries or affiliates.

The Board has the authority in its sole and absolute discretion to administer the RSU Plan, including the authority:

- a. to grant Restricted Share Units (“**RSUs**”);
- b. to determine the fair market value of the Common Shares as required under the RSU Plan;
- c. to determine the Service Providers to whom, and the time(s) at which RSUs shall be granted and vest;
- d. to determine the number of RSUs granted to any Service Provider;
- e. to prescribe, amend and rescind terms, conditions, rules or regulations relating to the RSU Plan or outstanding RSUs, subject to the terms and conditions in the RSU Plan;
- f. to interpret the RSU Plan;
- g. to determine the terms and provisions of Grant Agreements (as defined below) entered into in connection with RSUs; and
- h. to make any other determinations deemed necessary or advisable for the administration of the RSU Plan.

The Company shall effect the grant of RSUs under the RSU Plan in accordance with determinations made by the Board pursuant to the provisions of the RSU Plan, by execution of instruments in writing in forms approved by the Board. The Board may delegate its authority to administer the RSU Plan to one or more of its members or to a committee of the Board, including the power to sub-delegate such authority.

### Granting of RSUs

Subject to the RSU Plan, the Board has the authority to determine the Service Providers eligible to participate in the RSU Plan and grant RSUs to each eligible Service Provider (collectively, the “Grantees”) at such time(s) and in respect of such numbers of RSUs as the Board may determine at any time and from time to time, provided, however, that participation in the RSU Plan is voluntary. In making such determination, the Board may take into account such factors as it shall determine in its sole and absolute discretion including, if so determined by the Board, any one or more of the following factors:

- a. compensation data for comparable benchmark positions;
- b. the duties, responsibilities, position and seniority of the Grantee;

- c. performance measures of the Company compared with similar performance measures of its competitors;
- d. the individual contributions and potential contributions of the Grantee to the success of the Company;
- e. any bonus payments or other compensation paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to the success of the Company;
- f. the fair market value or current market price of the Common Shares at the time of such grant, provided, however, that if the date of the Grant occurs during a “blackout period” when Service Providers are restricted in trading in securities of the Company, then the fair market value or current market price of the Common Shares shall be determined on the basis of the five (5) trading days which commence on the first trading day following the end of such blackout period or such other period as the Board shall determine; and
- g. such other factors as the Board shall deem relevant in its sole and absolute discretion in connection with accomplishing the purposes of the RSU Plan.

## RSU Terms

**Grant Agreement** – Each grant of RSUs will be set forth in an agreement between the Company and the Grantee (a “Grant Agreement”) that sets out the terms and conditions of such RSUs as set out by the RSU Plan and as the Board may deem appropriate.

**Vesting Dates** – Subject to the provisions of the RSU Plan and unless otherwise provided in the Grant Agreement, RSUs shall vest as to one-third of the number of RSUs granted on each of the first, second and third anniversaries of the date granted. In addition, unless otherwise provided in the Grant Agreement, vesting of all unvested RSUs shall accelerate and become exercisable immediately prior to the date upon which a change of control is completed and as otherwise provided in the RSU Plan. Notwithstanding the foregoing, the Board in its sole discretion may at any time(s) or in the Grant Agreement or any amendment thereto in respect of any RSUs granted, accelerate or provide for the acceleration of, vesting of such RSUs previously granted.

**Adjustment in Number of RSUs for Dividends** – Immediately prior to each Payment Date (as defined below), the amount payable in respect of the applicable number of RSUs to be settled on such Payment Date will be adjusted to account for any dividends paid by the Company since the prior Payment Date.

**Settlement of RSUs** – Subject to the provisions of the RSU Plan and except as provided in a Grant Agreement, the date on which the Company shall pay the Grantee the value of the RSUs (the “Payment Date”) will be the applicable vesting date. On the Payment Date, the Grantee will receive, at the Company's sole and absolute discretion, (i) payment in cash or (ii) payment through the delivery of Common Shares acquired by an independent trustee or other purchasing agent on the Toronto Stock Exchange or alternative trading platform. The Company shall determine whether payment will take the form of cash or Common Shares on the Payment Date or a reasonable time prior thereto. The Company is able to change its election any time up until payment in respect of vested RSUs is actually made to the Grantee.

Any amount payable to a Grantee in respect of an RSU shall be paid to the Grantee as soon as practicable following the Payment Date and in any event on or before that date that is the earlier of sixty (60) days following the Payment Date or December 31 of the third year following the year in which the RSU was granted.

If the Company elects to settle any amounts to which a Grantee is entitled pursuant to an RSU by delivering Common Shares, and the determination of Common Shares to be delivered to a Grantee in respect of a particular Payment Date would result in the delivery of a fractional Common Share, the number of Common Shares deliverable on the Payment Date shall be rounded down to the next whole number of Common Shares.

**Change of Control** – Unless otherwise provided in the Grant Agreement in respect of any RSUs, in the event of a change of control of the Company, all unvested RSUs shall vest immediately prior to the date upon which the change of control is completed without any action on the part of the Grantee or the Company.

**Blackout Periods** – Where a Payment Date occurs on a date where the Grantee is subject to a blackout period, such Payment Date shall be extended to a date which is one trading day following the end of such blackout period, and further provided that: (i) if any such extension would cause the Payment Date to extend beyond the Expiry Date (as specified in the applicable Grant Agreement), the amounts to be paid on such Payment Date shall be paid on the Expiry Date, notwithstanding the blackout period; and (ii) in the case of Grantees who are citizens or residents of the United States, if any such extension would cause the Payment Date to extend beyond March 15 of the year following vesting, the amounts to be paid on such Payment Date shall be paid no later than March 15 of the year following vesting, notwithstanding the blackout period.

### Termination, Resignation, Retirement or Death

Unless otherwise provided in the Grant Agreement or in the Grantee's employment or other written agreement with the Company or its subsidiaries, as the case may be, in the event that a Grantee ceases to be a Service Provider for any reason (other than by reason of retirement or death and other than termination for cause or material breach) all unvested RSUs held by the Grantee will be deemed to be cancelled and terminated on the Termination Date. For purposes of the RSU Plan, the "**Termination Date**" shall be determined as follows:

- i. in the case of a director, the date on which such director ceases to hold all positions with the Company or its subsidiaries;
- ii. in the event that the Grantee's resigns, ceases to be a Service Provider as a result of retirement, dies, or the Grantee's employment is terminated for cause or service is terminated for material breach, the last day that the Grantee actively provides services; or
- iii. in the event the Grantee's employment is terminated without cause, the day that is sixty (60) days after the last day that the Grantee actively provides services,

provided that in all circumstances of above, the Termination Date is regardless of whether any advance working notice, or compensation in lieu of such notice is given to the Grantee, regardless of whether or not such cessation is later found to be unlawful or in breach of any applicable laws, and the Termination Date shall not be extended by any statutory, contractual or common law notice period mandated under applicable laws.

In the event that a Grantee ceases to be a Service Provider by reason of termination for cause (or for material breach in the event the Grantee is a consultant), by the Company or its subsidiaries, all rights of the Grantee in respect of any RSUs shall be cancelled and terminated on the Termination Date without any payment thereunder.

In the event that a Grantee ceases to be a Service Provider as a result of such Grantee's retirement, all of the RSUs held by the Grantee which are scheduled to vest in the calendar year of such Grantee's retirement shall be accelerated to, and vest as at, the Termination Date, and all other unvested RSUs held by the Grantee shall be cancelled and terminated on such day without any payment thereunder.

In the event of death of a Grantee, all of the RSUs held by the Grantee as at the date of death shall automatically, without any action on the part of the Company, vest as at the date of death, for the benefit of the Grantee or Grantee's heirs, executors, administrators or other personal representatives.

### Modifications for Leave

If a Grantee is on a leave of absence which is 3 months or greater in length, the Board may, in its sole discretion, modify or change the vesting of any RSUs granted to such Grantee to take into account the period of the leave.

## Effect of Certain Changes

In the event:

- a. of any change in the Common Shares through subdivision, consolidation, reclassification, exchange or otherwise; or
- b. that, as a result of any recapitalization, merger, amalgamation, arrangement, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities or property,

then, in any such case, the Board may make such adjustments to the RSU Plan, to any RSU and to any Grant Agreements outstanding under the RSU Plan as the Board may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to Grantees under the RSU Plan or the Grant Agreements.

## Non-Transferability

Except as provided for in the RSU Plan, RSUs are personal to each Grantee and shall not be assignable.

## Amendment or Discontinuance of the RSU Plan

The terms and conditions of the RSU Plan or any outstanding RSUs may be amended, modified, or otherwise changed, in whole or in part, in any manner, by the Board at any time and from time to time, provided that:

- a. the Grantees shall be advised by the Company of any such amendments, modifications or changes, unless they are immaterial or non-substantive; and
- b. any such amendments, modifications, or changes shall not adversely affect any RSUs then outstanding, unless consented to in writing by the Grantee who holds such RSUs.

The RSU Plan may be terminated or discontinued in whole or in part by the Board at any time, without prior notice to, or the consent of, the Grantees, provided that such termination shall not affect any RSUs then outstanding, unless consented to in writing by the Grantee who holds such RSUs.

# CONTACT US:

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