

**WHITECAP RESOURCES INC.
2013 AWARD INCENTIVE PLAN**

The Board of Directors of Whitecap Resources Inc. ("**Whitecap**") has adopted this award incentive plan (the "**Plan**") governing the issuance of Awards (as defined herein) of Whitecap to Service Providers (as defined herein).

1. Purposes

The principal purposes of the Plan are as follows:

- (a) to retain and attract qualified Service Providers that Whitecap and the Whitecap Entities require;
- (b) to promote a proprietary interest in Whitecap by such Service Providers and to encourage such persons to remain in the employ or service of Whitecap and the Whitecap Entities and put forth maximum efforts for the success of the affairs of Whitecap and the business of the Whitecap Entities; and
- (c) to focus management of Whitecap and the Whitecap Entities on operating and financial performance and long-term Total Shareholder Return.

2. Definitions

As used in this Plan, the following words and phrases shall have the meanings indicated:

- (a) "**Adjustment Ratio**" means, with respect to any Award, the ratio used to adjust the number of Common Shares to be issued on the applicable Payment Date pertaining to such Award for Dividends and, in respect of each Award, shall be equal to one plus the amount, rounded to the nearest five decimal places, equal to a fraction, having as its numerator the arithmetic total of the Dividends, expressed as an amount per Common Share, declared on each Dividend Record Date following the Grant Date of the initial Award, and having as its denominator the Fair Market Value of the Common Shares on the first Business Day of the calendar month in which the Payment Date occurs;
- (b) "**Award**" means an award, whose Award Value is computed by reference to equal to a notional number of Common Shares, made pursuant to the Plan, for which payment shall be made on the Payment Date(s) in accordance with the terms of **Section 6** hereof;
- (c) "**Award Agreement**" has the meaning set forth in **Section 6** hereof;
- (d) "**Award Value**" means, with respect to any Award, an amount equal to the value of a notional number of Common Shares granted pursuant to such Award, as such number may be adjusted in accordance with the terms of the Plan, multiplied by the Fair Market Value of a Common Share;
- (e) "**Black-Out Period**" means a period of time imposed by the Board pursuant to the policies of Whitecap upon certain Service Providers during which those persons may not trade in any securities of Whitecap;
- (f) "**Board**" has the meaning set forth in **Section 3** hereof;
- (g) "**Business Day**" means a day other than a Saturday, Sunday or a day when banks in the City of Calgary, Alberta are not generally open for business;
- (h) "**Cessation Date**" means the date that is the earlier of:
 - (i) the date of the Service Provider's termination or resignation, as the case may be regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation of being a Service Provider; or

- (ii) the date of the of the Service Provider's death or disability, as the case may be.

For greater certainty: (a) a transfer of employment or services between Whitecap and a Whitecap Entity or between Whitecap Entities; or (b) a Leave of Absence of a Service Provider shall not, unless otherwise determined by the President and Chief Executive Officer of Whitecap in the case of a Grantee who is not a director or officer and the Board in all other cases, be considered an interruption or termination of the employment of a Service Provider or cessation of the services provided by a Service Provider for any purpose of the Plan;

- (i) **"Change of Control"** means:

- (i) a successful "take-over bid" as defined in Multilateral Instrument 62-104 or any replacement or successor provisions ("**MI 62-104**"), which is not exempt from the take-over bid requirements of MI 62-104, pursuant to which the "offeror" as a result of such take-over bid, beneficially owns, directly or indirectly, in excess of 50% of the outstanding Total Common Shares;
- (ii) the issuance to or acquisition by any person, or group of persons acting in concert, of directly, or indirectly, including through an arrangement, merger or other form of reorganization of Whitecap, of Common Shares of Whitecap which in the aggregate total 50% or more of the then issued and outstanding Total Common Shares;
- (iii) the winding up or termination of Whitecap or the sale, lease or transfer of all or substantially all of the directly or indirectly held assets of Whitecap to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of Whitecap is continued,

provided that notwithstanding the application of any of the foregoing, a **"Change of Control"** shall be deemed to not have occurred:

- (iv) pursuant to an arrangement, merger or other form of reorganization of Whitecap where the holders of the outstanding voting securities or interests of Whitecap immediately prior to the completion of the reorganization will hold more than 50% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or
 - (v) if a majority of the Board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a Change of Control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the Plan;
- (j) **"Common Shares"** means common shares of Whitecap;
 - (k) **"Corporate Performance Measures"** for any period that the Board in its sole discretion shall determine, means the performance measures to be taken into consideration in granting Awards under the Plan and determining the Payout Multiplier in respect of any Performance Award, which may include, without limitation, the following:
 - (i) Relative Total Shareholder Return;
 - (ii) activities related to growth of Whitecap and the Whitecap Entities;
 - (iii) average production volumes of Whitecap and the Whitecap Entities;
 - (iv) unit costs of production of Whitecap and the Whitecap Entities;
 - (v) total proved reserves (on a net basis) of Whitecap and the Whitecap Entities;

- (vi) key leading and lagging indicators of health, safety and environmental performance of Whitecap and the Whitecap Entities;
 - (vii) the execution of Whitecap's strategic plan as determined by the Board; and
 - (viii) such additional measures as the Board, in its sole discretion, shall consider appropriate in the circumstances;
- (l) "**disability**" means the frustration of the employment relationship as a result of the Service Provider's serious and prolonged disability, as determined by the President and Chief Executive Officer of Whitecap in the case of a Grantee who is not a director or officer and the Board in all other cases;
 - (m) "**Dividend**" means any dividend declared by Whitecap in respect of the Common Shares, whether in the form of cash, Common Shares or other securities or other property, expressed as an amount per Common Shares;
 - (n) "**Dividend Payment Date**" means any date that a Dividend is paid to Shareholders;
 - (o) "**Dividend Record Date**" means the applicable record date in respect of any Dividend used to determine the Shareholders entitled to receive such Dividend;
 - (p) "**Exchange**" means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on the Toronto Stock Exchange, on such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board;
 - (q) "**Expiry Date**" means, in connection with each Award made pursuant to the Plan, means December 15th of the third year following the year in which the Award was granted;
 - (r) "**Fair Market Value**" with respect to a Common Share, as at any date means the weighted average of the prices at which the Common Shares traded on the Exchange (or, if the Common Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board in its sole discretion) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Board in its sole discretion, acting reasonably and in good faith. If initially determined in United States dollars, the Fair Market Value shall be converted into Canadian dollars at an exchange rate selected and calculated in the manner determined by the Board from time to time acting reasonably and in good faith;
 - (s) "**Grant Date**" means the grant date for an Award;
 - (t) "**Grantee**" has the meaning set forth in **Section 4** hereof;
 - (u) "**Insider**" has the meaning set forth in the applicable rules of the Exchange for this purpose;
 - (v) "**Leave of Absence**" means a "leave of absence" which is in excess of three (3) months;
 - (w) "**Leave Expiration Term**" means ten (10) Business Days from the date that any Leave of Absence ends;
 - (x) "**Non-Management Director**" means a director of Whitecap who is not an officer or employee of Whitecap or a Whitecap Entity;

- (y) **"Notice Period"** means the notice period for termination of employment agreed to between Whitecap and the Grantee in writing, or, in the absence of any such written agreement, the minimum notice period required under the Employment Standards Code;
- (z) **"Other Incentive Plan"** means Whitecap's stock option plan dated effective November 5, 2012, as amended from time to time;
- (aa) **"Payment Date"** means, with respect to any Award, the date upon which Whitecap shall pay to the Grantee the Award Value to which the Grantee is entitled pursuant to such Award in accordance with the terms hereof;
- (bb) **"Payout Multiplier"** means the payout multiplier determined by the Board in accordance with **Section 6(d) or 6(j)** as applicable;
- (cc) **"Peer Comparison Group"** means, generally, public Canadian oil and gas issuers that in the opinion of the Board are competitors of Whitecap and which shall be determined from time to time by the Board in its sole discretion;
- (dd) **"Performance Award"** means an Award granted hereunder designated as a "Performance Award" in the Award Agreement pertaining thereto;
- (ee) **"Proportionate Share"** means the amount obtained (rounded to the nearest two decimal points) by dividing the number of full calendar months of active employment of the Grantee (excluding any Leave of Absence, and for this purpose, the Notice Period shall be counted as active employment) during the Term of each unvested Award held by the Grantee by the number of full calendar months in the Term of each such unvested Award;
- (ff) **"Relative Total Shareholder Return"** means the percentile rank, expressed as a whole number, of Total Shareholder Return relative to returns calculated on a similar basis on securities of members of the Peer Comparison Group over the applicable period;
- (gg) **"Service Provider"** means certain directors, officers, consultants, employees and other service providers, as applicable of Whitecap and any Whitecap Entities;
- (hh) **"Shareholder"** means a holder of Common Shares;
- (ii) **"Term"** for each Award means the period of time commencing on the Grant Date and ending on the Expiry Date;
- (jj) **"Time-Based Award"** means an Award granted hereunder designated as a "Time-Based Award" in the Award Agreement pertaining thereto;
- (kk) **"Total Common Shares"** means the aggregate number of issued and outstanding Common Shares (including Common Shares issuable upon exchange of exchangeable shares of Whitecap and other fully paid securities of the Whitecap Entities exchangeable into Common Shares);
- (ll) **"Total Shareholder Return"** means, with respect to any period, the total return to Shareholders on the Common Shares calculated using cumulative dividends on a reinvested basis, if applicable, and the change in the trading price of the Common Shares on the Exchange over such period (or, if the Common Shares are not then listed and posted for trading on the Exchange or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the Common Shares are then listed and posted for trading as may be selected for such purpose by the Board in its sole discretion);
- (mm) **"Whitecap Entities"** means, collectively, any of Whitecap's subsidiaries, partnerships, trusts or other controlled entities.

3. Administration

- (a) The Plan shall be administered by the Board of Directors of Whitecap (the "**Board**"), provided that the Board shall have the authority to appoint a committee of the Board to administer the Plan. In the event that the Board appoints a committee of the Board to administer the Plan, all references in the Plan to the Board will be deemed to be references to such committee of the Board, as applicable.
- (b) The Board shall have the full power and sole responsibility to interpret the provisions of the Plan, to administer the Plan and to exercise all the powers and authorities either specifically granted to it under the Plan or necessary or advisable in the administration of the Plan subject to and not inconsistent with the express provisions of this Plan and of **Section 9** hereof, including, without limitation:
- (i) the authority to grant Awards;
 - (ii) to determine the Fair Market Value of the Common Shares on any date;
 - (iii) to determine the Service Providers to whom, and the time or times at which Awards shall be granted and shall become issuable;
 - (iv) to determine the Award Value of each Award;
 - (v) to determine members of the Peer Comparison Group from time to time;
 - (vi) to determine the Corporate Performance Measures and the Payout Multiplier in respect of a particular period;
 - (vii) to prescribe, amend and rescind rules and regulations relating to the Plan;
 - (viii) to interpret the Plan;
 - (ix) to determine the terms and provisions of Award Agreements (which need not be identical) entered into in connection with Awards; and
 - (x) to make all other determinations deemed necessary or advisable for the administration of the Plan.
- (c) For greater certainty and without limiting the discretion conferred on the Board pursuant to this **Section 3**, the Board's decision to approve the grant of an Award to any Service Provider in any period shall not require the Board to approve the grant of an Award to any Service Provider in any other period; nor shall the Board's decision with respect to the size or terms and conditions of an Award in any period require it to approve the grant of an Award of the same or similar size or with the same or similar terms and conditions to any Service Provider in any other period, nor shall the Board's decision with respect to the form of payment of an Award require it to pay any other Awards in the same manner or entitle a Service Provider to be paid in a particular form. The Board shall not be precluded from approving the grant of an Award to any Service Provider solely because such Service Provider may previously have been granted an Award under this Plan or any other similar compensation arrangement of Whitecap or a Whitecap Entity. No Service Provider has any claim or right to be granted an Award. In determining the Service Providers to whom Awards may be granted ("**Grantees**") and the number of Common Shares to be covered by each Award, the Board may take into account such factors as it shall determine in its sole discretion, including, if so determined by the Board, any one or more of the following factors:
- (i) compensation data for comparable benchmark positions among the Peer Comparison Group;
 - (ii) the duties, responsibilities, position and seniority of the Grantee;

- (iii) the Corporate Performance Measures for the applicable period compared with internally established performance measures approved by the Board and/or similar performance measures of members of the Peer Comparison Group for such period;
 - (iv) the individual contributions and potential contributions of the Grantee to the success of Whitecap;
 - (v) any bonus payments paid or to be paid to the Grantee in respect of his or her individual contributions and potential contributions to the success of Whitecap;
 - (vi) the Fair Market Value or current market price of the Common Shares at the time of such Award; and
 - (vii) such other factors as the Board shall deem relevant in its sole discretion in connection with accomplishing the purposes of the Plan.
- (d) The Board may delegate to one or more of its members or to one or more agents such administrative duties as it may deem advisable, and the Board or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the Board or such person may have under the Plan.

4. Eligibility and Award Determination

- (a) In the event that the Common Shares of the Corporation are listed on the Exchange, any grant of Awards under the Plan shall be subject to the following restrictions:
- (i) Awards may be granted by the Board from time to time, at its sole discretion, to Service Providers, provided that the aggregate number of Common Shares that could be issued pursuant to Awards that have been granted to any single holder shall not exceed 1% of the Total Common Shares. No Service Provider shall have any rights to be granted Awards hereunder, except as may be specifically granted by the Board;
 - (ii) The aggregate number of Common Shares that could be issued pursuant to Awards issued to each Non-Management Director in the Plan is limited to the lesser of:
 - (A) 0.25% of the Total Common Shares; and
 - (B) an annual equity award value of \$100,000, with the value of each Award calculated at the time of grant;

and for purposes of monitoring compliance with these limitations, a Payout Multiplier of 1.0 will be assumed for any Performance Awards;
 - (iii) The number of Common Shares that are available to be issued to Insiders within one year pursuant to the Plan, and issuable to Insiders at any time, under the Plan or when combined with all of Whitecap's other security based compensation arrangements, shall not exceed 10% of the Total Common Shares. In determining the number of Common Shares issuable within one year for the purposes of this paragraph (iii), shall be determined on the basis of the number of Common Shares that are outstanding immediately prior to the Common Share issuance, excluding any Common Shares issued pursuant to share compensation arrangements over the preceding one-year period; and
 - (iv) Awards may be granted in excess of the limits set forth in this **Section 4** provided that prior to the receipt of the approval required in **Section 9**, if any, such Awards may not be paid until such approval has been received.

- (b) In determining the Service Providers to whom Awards may be granted ("**Grantees**") and the number of Common Shares to be referred to in respect of each Award, the Board may take into account such factors as it shall determine in its sole discretion.
- (c) For purposes of the calculations in this section, it shall be assumed that all issued and outstanding Awards are to be paid by the issuance of Common Shares from treasury, notwithstanding Whitecap's right pursuant to **Section 6** hereof to settle the Award Value underlying Awards in cash or by purchasing Common Shares on the open market.

5. Reservation of Common Shares

- (a) The number of Common Shares reserved that are available to be issued from time to time pursuant to outstanding Awards granted and outstanding under the Plan shall not exceed a number of Common Shares equal to: (i) 3.755% of the Total Common Shares; less (ii) the aggregate number of Common Shares reserved for issuance from time to time pursuant to outstanding stock options under the Other Incentive Plan.
- (b) Any increase in the Total Common Shares will result in an increase in the available number of Common Shares that are available to be issued under the Plan and any issuance of Common Shares pursuant to Awards will make new grants available under the Plan.
- (c) If any Award granted under this Plan shall expire, terminate or be cancelled for any reason without payment, any Common Shares that were reserved hereunder shall be available for the purposes of the granting of further Awards under this Plan.
- (d) Awards may be granted in excess of the limits set forth in this **Section 5** provided that prior to the receipt of the approval required in **Section 9**, if any, such Awards may not be paid until such approval has been received.
- (e) For purposes of the calculations in this section, it shall be assumed that all issued and outstanding Awards are to be paid by the issuance of Common Shares from treasury, notwithstanding Whitecap's right pursuant to **Section 6** hereof to settle the Award Value underlying Awards in cash or by purchasing Common Shares on the open market.

6. Terms and Conditions of Awards

Each Award granted under the Plan shall be subject to the terms and conditions of the Plan and evidenced by a written agreement between Whitecap and the Grantee or an award letter of other confirmation of grant from Whitecap to the Grantee (an "**Award Agreement**") which agreement shall comply with, and in the event that the Common Shares of the Corporation are listed on the Exchange, shall comply with, and be subject to, the requirements of the Exchange and the following terms and conditions (and with such other terms and conditions as the Board, in its sole discretion, shall establish):

- (a) **Type of Awards** – The Board shall determine the Award Value to be awarded to a Grantee pursuant to the Award in accordance with the provisions set forth in **Section 3** hereof and shall designate such award as either a "Time-Based Award" or a "Performance Award", as applicable, in the Award Agreement relating thereto.
- (b) **Payment Date of Awards** – Unless otherwise determined by the Board in its sole discretion (and, for greater certainty, the Board may in its sole discretion impose additional or different conditions to the determination of the Payment Date(s) in respect of payment pursuant to any Award), the Payment Date in respect of Awards issued pursuant to the Plan shall be on the third anniversary of the Grant Date of the Award; provided however, that:
- (i) if a Grantee is on a Leave of Absence before the Payment Date or Dates, such Payment Date or Payment Dates shall be extended by that portion of the duration of the period of the Leave of Absence that is in excess of three (3) months;
 - (ii) where a Payment Date occurs on a date when a Grantee is subject to a Black-Out Period, such Payment Date shall be extended to a date which is within three Business Days following the end of such Black-Out Period;
 - (iii) in the event of any Change of Control of Whitecap prior to the before the Payment Date or Payment Dates, the Payment Date or Payment Dates for all Common Shares awarded pursuant to such Awards shall be closing date of the Change of Control and the the Payout Multiplier applicable to any Performance Awards shall be determined by the Board; and
 - (iv) notwithstanding any other provision of this Plan, the Board may, in its sole discretion, determine that an Award is payable in relation to all or a percentage of the Award Value covered thereby for all or any Awards at any time and from time to time.
- (c) **Expiry Dates of Awards** – Notwithstanding any other provision of this Plan, including **Section 6(b)** hereof, no Payment Date in respect of an Award may occur after the Expiry Date of such Award, and in the event that a Payment Date would occur after the Expiry Date, the Payment Date in respect of such Award shall be on the Expiry Date of such Award.
- (d) **Payout Multiplier** – Annually, prior to the Payment Date in respect of any Performance Award, or prior to the Payment Date in the case of a Change of Control or otherwise to the extent that the annual determination has not yet been made, the Board shall assess the performance of Whitecap for the applicable period. The weighting of the individual measures comprising the Corporate Performance Measures shall be determined by the Board in its sole discretion having regard to the principal purposes of the Plan and, upon the assessment of all Corporate Performance Measures, the Board shall determine Whitecap's ranking. The applicable Payout Multiplier in respect of this ranking shall be as determined by the Board in its sole discretion. For greater certainty, where the Payment Date is not the first anniversary of the grant date, the Payout Multiplier for those Performance Awards will be the arithmetic average of the Payout Multiplier for each of the preceding annual performance assessment periods.
- (e) **Adjustment of Awards** – Immediately prior to each Payment Date, the notional number of Common Shares underlying an Award shall be adjusted by multiplying such number by: (1) the Adjustment Ratio applicable in respect of such Award, and (2) the Payout Multiplier applicable to such Award, in the case of a Performance Award, provided however, that:
- (i) if a Grantee has been on a Leave of Absence at any time since the Grant Date in respect of such Award, the Adjustment Ratio shall not be adjusted for any Dividends paid during the period of such Leave of Absence; and
 - (ii) notwithstanding any other provision of this Plan, but subject to the limits described in **Section 4** and **Section 5** hereof and, in the event that the Common Shares of Whitecap are listed on the

Exchange, any applicable requirements of the Exchange, or other applicable regulatory authority, the Board hereby reserves the right to make any additional adjustments to the notional number of Common Shares underlying any Award if, in the sole discretion of the Board, such adjustments are appropriate in the circumstances having regard to the principal purposes of the Plan and terms of the Award.

- (f) ***Payment in Respect of Awards*** – On the Payment Date, Whitecap, at its sole and absolute discretion, shall have the option of settling the Award Value payable in respect of an Award by any of the following methods or by a combination of such methods:
- (i) payment in cash;
 - (ii) in the event that the Common Shares of the Corporation are listed on the Exchange, payment in Common Shares acquired by Whitecap on the Exchange; or
 - (iii) payment in Common Shares issued from the treasury of Whitecap.
- (g) Whitecap shall not determine whether the payment method shall take the form of cash or Common Shares until the Payment Date, or some reasonable time prior thereto. A holder of an Award shall not have any right to demand be paid in, or receive, Common Shares in respect of the Award Value underlying an Award, at any time. Notwithstanding any election by Whitecap to settle any Award Value, or portion thereof, in Common Shares, Whitecap reserves the right to change its election in respect thereof at any time up until payment is actually made, and the holder of such Award shall not have the right, at any time to enforce settlement in the form of Common Shares of Whitecap.
- (h) Where Whitecap elects to pay any amounts pursuant to an Award by issuing Common Shares, and the determination of the number of Common Shares to be delivered to a Grantee in respect of a particular Payment Date would result in the issuance 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. No certificates representing fractional Common Shares shall be delivered pursuant to this Plan nor shall any cash amount be paid at any time in lieu of any such fractional interest.
- (i) ***Delivery of Payment*** – Any amount payable to a Grantee in respect of an Award shall be paid to the Grantee as soon as practicable following the Payment Date provided that the payment must occur not later than the Expiry Date.
- (j) ***Termination of Relationship as Service Provider*** – Unless otherwise determined by the Board or unless otherwise provided in an Award Agreement pertaining to a particular Award or any written employment or consulting agreement governing a Grantee's role as a Service Provider, the following provisions shall apply in the event that a Grantee ceases to be a Service Provider:
- (i) *Termination upon Ceasing to be a Service Provider for cause or resignation* – If a Grantee ceases to be a Service Provider for any reason whatsoever (including termination for cause or resignation) other than as contemplated under paragraph (ii) below, all outstanding Award Agreements under which Awards have been made to such Grantee shall immediately terminate and become null and void and all Awards shall immediately terminate and become null and void;
 - (ii) *Involuntary Termination (including termination without cause, death or disability but not termination for cause)* – If a Grantee involuntarily ceases to be a Service Provider for any reason (including termination without cause, death or disability but not termination for cause) other than as contemplated under paragraph (i) above:
 - (A) that number (rounded to the nearest whole number) of unvested Awards held by the Grantee which have not vested as of the Cessation Date obtained by multiplying the number of unvested Awards held by the Grantee as of the Cessation Date (and for this

purpose, the Notice Period shall be counted as active employment) by the Grantee's Proportionate Share shall vest and become payable; and

- (B) the balance of the Awards held by the Grantee shall immediately terminate and become null and void and all rights to receive Common Shares thereunder shall be forfeited by the Grantee effective on the Cessation Date.

The President and Chief Executive Officer of Whitecap in the case of a Grantee who is not a director or officer and the Board in all other cases, taking into consideration the performance of such Grantee and the performance of Whitecap since the date of grant of the Award(s), to the extent the Payout Multiplier for an applicable period has not yet been determined, may determine in its sole discretion, the Payout Multiplier to be applied for that period to any Performance Awards held by the Grantee;

- (iii) *Variation of Expiration Period* – Subject to **Section 9**, the Board may, in its sole discretion, determine that the Expiry Dates set forth in **Section 6(j)(i) and (ii)** shall be amended by the time frames set forth in **Section 6(b)**.
- (k) *Rights as a Shareholder* – Until Common Shares have actually been issued in accordance with the terms of the Plan, the Grantee to whom an Award has been made shall not possess any incidents of ownership of such Common Shares including, for greater certainty and without limitation, the right to receive Dividends on such Common Shares and the right to exercise voting rights in respect of such Common Shares. Such Grantee shall only be considered a Shareholder in respect of such Common Shares when such issuance has been entered upon the records of the duly authorized transfer agent of Whitecap.
- (l) *Treatment of non-cash Dividends* – Subject to any required approval of the Exchange, in the event that the Common Shares of the Corporation are listed on the Exchange, in the case of a non-cash Dividend, including Common Shares or other securities or other property, the Board may, in its sole discretion, determine that this non-cash Dividend be provided to a Grantee on the same basis as a holder of a Common Share with the same Dividend Record Date and Dividend Payment Date, regardless of the vesting date applicable to such Award, and, in such event, no adjustment to the Adjustment Ratio will be provided to the Grantee. The Board may provide this non-cash Dividend to the Grantee in the same form as the non-cash distribution received by a holder of a Common Share or a cash equivalent amount determined in the sole discretion of the Board. In the alternate case, where the Grantee does not participate in a non-cash Dividend as described above, the Board will, in its sole discretion, determine the cash value of such non-cash Dividend to be applied to the Adjustment Ratio.
- (m) *Effect of Certain Changes* – In the event:
- (i) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise;
 - (ii) that any rights are granted to all Shareholders to purchase Common Shares at prices substantially below the Fair Market Value; or
 - (iii) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities,

then, in any such case, the Board may, in the event that the Common Shares of the Corporation are listed on the Exchange, subject to any required approval of the Exchange, make such adjustments to the Plan, to any Awards and to any Award Agreements outstanding under the Plan as may be appropriate in the circumstances (including changing the Common Shares covered by each Award into other securities on the same basis as Common Shares are converted into or exchangeable for such securities in any such transaction) to prevent dilution or enlargement of the rights granted to Grantees hereunder

7. Withholding Taxes

When a Grantee or other person becomes entitled to receive a payment in respect of an Award, Whitecap or a Whitecap Entity shall have the right to require the Grantee or person to remit to Whitecap an amount sufficient to satisfy any withholding tax requirements relating thereto. Unless otherwise prohibited by the Board or by applicable law, satisfaction of the withholding tax obligation may be accomplished by any of the following methods or by a combination of such methods:

- (a) the tendering by the Grantee of a cash payment to Whitecap in an amount less than or equal to the total withholding tax obligation; or
- (b) where Whitecap has elected to issue Common Shares to the Grantee, the withholding by Whitecap or a Whitecap Entity, as the case may be, from the Common Shares otherwise due to the Grantee such number of Common Shares as it determines are required to be sold by Whitecap, as trustee, to satisfy the total withholding tax obligation (net of selling costs). The Grantee consents to such sale and grants to Whitecap an irrevocable power of attorney to effect the sale of such Common Shares and acknowledges and agrees that Whitecap does not accept responsibility for the price obtained on the sale of such Common Shares; or
- (c) the withholding by Whitecap or a Whitecap Entity, as the case may be, from any cash payment otherwise due to the Grantee, including the Settlement Amount, such amount of cash as is required for the amount of the total withholding tax obligation;

provided, however, that the sum of any cash so paid or withheld and the Fair Market Value of any Common Shares so withheld is sufficient to satisfy the total withholding tax obligation.

Grantees (or their beneficiaries) shall be responsible for all taxes with respect to any Awards granted under the Plan. The Board and Whitecap make no guarantees to any person regarding the tax treatment of Awards or payments made under the Plan and none of Whitecap, nor any of its employees or representatives shall have any liability to a Grantee (or its beneficiaries) with respect thereto.

8. Non-Transferability

Subject to **Section 6(j)(ii)**, the right to receive payment pursuant to an Award granted to a Service Provider is held only by such Service Provider personally. Except as otherwise provided in this Plan, no assignment, sale, transfer, pledge or charge of an Award, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such Award shall terminate and be of no further force or effect.

9. Amendment and Termination of Plan

This Plan and any Awards granted pursuant to the Plan may be amended, modified or terminated by the Board without approval of Shareholders, subject to any required approval of the Exchange in the event that the Common Shares of the Corporation are listed on the Exchange.

If the Common Shares of the Corporation are listed on the Exchange, then notwithstanding the foregoing, the Plan may not be amended without Shareholder approval to:

- (a) make any amendment to the Plan to increase the percentage of Common Shares that are available to be issued under outstanding Awards at any time pursuant to **Section 5(a)** hereof;
- (b) extend the Expiry Date of any outstanding Awards held by Insiders;
- (c) make any amendment to the Plan that would permit a holder to transfer or assign Awards to a new beneficial holder other than in the case of death of the holder;

- (d) amend the limits on Non-Management Directors contained in **Section 4(a)**;
- (e) any amendment to increase the number of Common Shares that may be issued to Insiders above the restriction contained in **Section 5**; or
- (f) an amendment to amend this **Section 9**.

In addition, no amendment to the Plan or Awards granted pursuant to the Plan may be made without the consent of the Grantee, if it adversely alters or impairs the rights of any Grantee in respect of any Award previously granted to such Grantee under the Plan.

10. Merger and Sale

In the event that Whitecap enters into any transaction or series of transactions whereby Whitecap or all or substantially all of Whitecap's undertaking, property or assets would become the property of any other trust, body corporate, partnership or other person (a "**Successor**") whether by way of takeover bid, acquisition, reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, unless prior to or contemporaneously with the consummation of such transaction, Whitecap and the Successor shall execute such instruments and do such things as are necessary, if any, to establish that upon the consummation of such transaction the Successor will have assumed all the covenants and obligations of Whitecap under this Plan and the Award Agreements outstanding on consummation of such transaction in a manner that substantially preserves and does not impair the rights of the Grantees thereunder in any material respect (including the right to receive shares, securities, cash or other property of the Successor in lieu of Common Shares upon the subsequent vesting of Awards). Subject to compliance with this **Section 10**, any such Successor shall succeed to, and be substituted for, and may exercise every right and power of Whitecap under this Plan and such Award Agreements with the same effect as though the Successor had been named as Whitecap herein and therein and thereafter, Whitecap shall be relieved of all obligations and covenants under this Plan and such Award Agreements and the obligation of Whitecap to the Grantees in respect of the Awards shall terminate and be at an end and the Grantees shall cease to have any further rights in respect thereof including, without limitation, any right to acquire Common Shares upon vesting of the Awards.

11. Miscellaneous

- (a) ***Effect of Headings*** – The section and subsection headings contained herein are for convenience only and shall not affect the construction hereof.
- (b) ***Compliance with Legal Requirements*** – Whitecap may, in its sole discretion, postpone the issuance or delivery of any Common Shares that it elects to issue as payment for any Award as the Board may consider appropriate, and may require any Grantee to make such representations and furnish such information as it may consider appropriate in connection with the issuance or delivery of Common Shares in compliance with applicable laws, rules and regulations. Whitecap shall not be required to qualify for resale pursuant to a prospectus or similar document any Common Shares awarded under the Plan, provided that, if required, Whitecap shall notify the TSX and any other appropriate regulatory bodies in Canada of the existence of the Plan and the granting of Awards hereunder in accordance with any such requirements.
- (c) ***No Right to Continued Employment*** – Nothing in the Plan or in any Award Agreement entered into pursuant hereto shall confer upon any Grantee the right to continue in the employ or service of Whitecap or any Whitecap Entities, to be entitled to any remuneration or benefits not set forth in the Plan or an Award Agreement or to interfere with or limit in any way the right of Whitecap or any Whitecap Entity to terminate a Grantee's employment or service arrangement with Whitecap or any Whitecap Entity.
- (d) ***Ceasing to be a Whitecap Entity*** – Except as otherwise provided in this Plan, Awards granted under this Plan shall not be affected by any change in the relationship between or ownership of Whitecap and a Whitecap Entity. For greater certainty, all Awards remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, any corporation, partnership or trust ceases to be a Whitecap Entity.

- (e) **Grantee Information** – Each Grantee shall provide Whitecap with all information (including personal information) required by Whitecap in order to administer the Plan. Each Grantee acknowledges that information required by Whitecap in order to administer the Plan may be disclosed to the Board or its appointed administrator and other third parties in connection with the administration of the Plan. Each Grantee consents to such disclosure and authorizes Whitecap to make such disclosure on the Grantee's behalf.
- (f) **Expenses** – Other than as contemplated pursuant to **Section 7**, all expenses in connection with the Plan shall be borne by Whitecap.

12. Governing Law

The Plan shall be governed by and construed in accordance with the laws in force in the Province of Alberta.

13. Effective Date

This Plan, as amended, shall take effect on April 30, 2013.