



# MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MONDAY, APRIL 14, 2025

TSX | PSK





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# NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To be held on Monday, April 14, 2025

The annual general meeting (the “**Meeting**”) of the shareholders of PrairieSky Royalty Ltd. (“**PrairieSky**” or the “**Company**”) will be held in the Forester’s Lounge at the Calgary Petroleum Club, 319 Fifth Avenue S.W., Calgary, Alberta T2P 0L5 on Monday, April 14, 2025 at 3:00 p.m. (MDT) to:



- ▶ **Receive and consider the audited consolidated financial statements** of the Company for the year ended December 31, 2024, together with the report of the auditors;
- ▶ **Elect seven (7) directors** of the Company;
- ▶ **Appoint the auditors** and authorize the directors to fix their remuneration as such;
- ▶ **Advisory vote on our approach** to executive compensation; and
- ▶ **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 and proxy statement accompanying this notice.

Registered shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it to:

**TSX Trust Company**

Attention: Proxy Department  
100 Adelaide Street West, Suite 301  
Toronto, Ontario M5H 4H1

or deliver it by fax to 1-416-595-9593 at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment or postponement thereof.

Votes by internet must be received by 3:00 p.m. (MDT) on Thursday, April 10, 2025 or at least 48 hours prior to the time of any adjournment or postponement of the Meeting, excluding Saturdays, Sundays and holidays. See the information circular and proxy statement for further instructions on internet voting. If a shareholder receives more than one form of proxy because such shareholder owns common shares of the Company (“Common Shares”) registered in different names or addresses, each proxy form should be completed and returned.

Only shareholders of record at the close of business on February 28, 2025 will be entitled to vote at the Meeting, unless a shareholder has transferred any Common Shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of such Common Shares and demands that the transferee’s name be included on the list of shareholders entitled to vote at the Meeting.

DATED at Calgary, Alberta this 28th day of February, 2025.

By order of the Board of Directors  
of PrairieSky Royalty Ltd.

/s/ "Andrew Phillips"

**Andrew Phillips** / President & Chief Executive Officer

Registered shareholders may also vote via the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com).



2024

# ANNUAL HIGHLIGHTS

## FINANCIAL HIGHLIGHTS



Revenues totalling  
**\$509.2 million**

Funds from Operations of  
**\$380.5 million**

Excess funds from operations used to reduce  
**net debt 39%** during the year

Record oil royalty production of **13,125 bbls/d** with **6%** organic growth year over year  
Royalty production volumes of 25,186 BOE/d

**3.5% increase** in proved plus probable oil reserves

Strong leasing activity entering into **219 leases** with **101** different counterparties

Capital Allocation  
**4% increase** in dividends in 2024

Dividends declared of  
**\$239.0 million** or \$1.00 per share

Acquisitions of royalty interests totalling  
**\$57.3 million**

## ESG HIGHLIGHTS



Member of the S&P Global Sustainability Yearbook 2025 and a constituent of the Dow Jones Best-in-Class World Index.



**Maintained AAA "Leader" status** denoting companies leading the industry in managing the most significant ESG risks and opportunities.

# A MESSAGE TO SHAREHOLDERS

Dear Fellow Shareholders,

On behalf of the board of directors and management, we invite you to participate in our 2025 annual general meeting of shareholders to be held on April 14, 2025 at 3:00 pm MDT. The items to be acted on are outlined in the Notice of Annual General Meeting and the following pages of this information circular.



We were very pleased with how the business performed in 2024. We achieved **strong organic growth in both oil royalty production volumes and reserves** in 2024 which were primarily the result of our strategy of investing in low-cost oil plays. Our oil royalty production volumes increased 6% over 2023, reaching an annual record of **13,125 barrels per day**. Our proved plus probable oil royalty reserves also increased by 3.5%. The growth in both production and reserves was achieved through third-party operator activity on our royalty properties.

During the year, PrairieSky closed acquisitions of producing and non-producing properties which are expected to enhance our business on a per share basis over the short, medium and long term. We remained disciplined with our capital allocation strategy and returned cash to shareholders through our dividend, which increased to \$1.00 per Common Share in 2024, and continued to pay down our bank debt. On February 10, 2025, we announced a 4% increase in our annual dividend policy to \$1.04 per Common Share.

Good corporate governance is fundamental to our goal of long-term value creation and requires us to work diligently to bring integrity and excellence into everything we do. As part of our ongoing shareholder engagement, together, we met with several of our institutional shareholders to make introductions as the new Board Chair as well as to provide an opportunity to discuss governance. We welcome the feedback of all our shareholders on our statement of corporate governance practices included in this information circular.

We are continuing to enhance our disclosures with evolving reporting requirements and believe we are well positioned in ESG in both the Canadian oil and gas industry as well as the global community. We were pleased to be added to the Dow Jones Best-in-Class World Index and once again be a member of the S&P Global Sustainability Yearbook 2025.

At PrairieSky we have a culture of ownership and it shows through in how our employees show up and demonstrate their commitment to our business each day. We thank them for their efforts. We would also like to thank our fellow directors for their dedication and stewardship throughout the year. Finally, thank you to our shareholders for your continued confidence and support.

*/s/ "Margaret A. McKenzie"*

**Margaret A. McKenzie** / Chair of the Board of Directors

*/s/ "Andrew M. Phillips"*

**Andrew M. Phillips** / President & Chief Executive Officer



# INFORMATION CIRCULAR AND PROXY STATEMENT FOR THE ANNUAL GENERAL MEETING

TO BE HELD ON MONDAY, APRIL 14, 2025

## PROXIES

### SOLICITATION OF PROXIES

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This information circular and proxy statement is furnished in connection with the solicitation of proxies for use at the annual general meeting (the "**Meeting**") of the shareholders of PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") to be held in the Forester's Lounge at the Calgary Petroleum Club, 319 Fifth Avenue S.W., Calgary, Alberta T2P 0L5 on Monday, April 14, 2025 at 3:00 p.m. (MDT), and at any adjournment thereof.

Forms of proxy must be addressed to and received by TSX Trust Company (the "**Transfer Agent**"), Attention: Proxy Department, 100 Adelaide Street West, Suite 301, Toronto, Ontario M5H 4H1 or by fax to 1-416-595-9593 at least 48 hours, excluding Saturdays, Sundays and holidays, before the time of the Meeting or any adjournment or postponement thereof. Registered shareholders may also use the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com) to vote their common shares of PrairieSky ("**Common Shares**"). Shareholders will be prompted to enter the control number which is located on the form of proxy. Votes by internet must be received by 3:00 p.m. (MDT) on Thursday, April 10, 2025 or at least 48 hours prior to the time of any adjournment or postponement of the Meeting, excluding Saturdays, Sundays and holidays. The website may also be used to appoint a proxyholder to attend and vote at the Meeting on the shareholder's behalf and to convey a shareholder's voting instructions.

Only shareholders of record at the close of business on February 28, 2025 will be entitled to vote at the Meeting, unless a shareholder has transferred any Common Shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of such Common Shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the Meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a company, by a duly authorized officer or attorney of the company.

The persons named in the enclosed form of proxy are our officers and/or directors. **As a shareholder, you have the right to appoint a person or company, who need not be a shareholder, to represent you at the Meeting.** To exercise this right, you should insert the name of the desired representative in the blank space provided on the form of proxy.

### ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

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The information set forth in this section is of significant importance to you if you do not hold your Common Shares in your own name. Only proxies deposited by shareholders whose names appear on the records of the Company as registered holders of Common Shares ("**Registered Shareholders**") can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on PrairieSky's records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Services Inc. ("**CDS**"), which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your Common Shares. The Company does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. The majority of Common Shares held in the United States are registered in the name of Cede & Co., the nominee for The Depository Trust Company, which is the United States equivalent of CDS.



Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications, Canada ("**Broadridge**"), which mails a scannable voting instruction form ("**VIF**") in lieu of the form of proxy. If you receive a VIF from Broadridge it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned to them well in advance of the Meeting in order to have the Common Shares voted.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you may attend the Meeting as a proxyholder for the Registered Shareholder and vote your Common Shares in that capacity. If you wish to vote your Common Shares at the Meeting, you must do so as proxyholder for the Registered Shareholder. To do this, you should enter your own name in the blank space on the form of proxy or VIF provided to you and return the document to your broker or the agent of such broker in accordance with the instructions provided by such broker well in advance of the Meeting. It is important that the VIF or form of proxy be received by your broker or the agent sufficiently in advance of the Meeting to enable your broker or the agent to provide voting instructions on your behalf.

## NOTICE-AND-ACCESS

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The Company has elected to use the "notice-and-access" provisions under National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* (the "**Notice-and-Access Provisions**") for the Meeting in respect of mailings to its non-registered shareholders ("**Beneficial Shareholders**") but not in respect of mailings to its Registered Shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

The Company has also elected to use procedures known as 'stratification' in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of the financial statements and related management's discussion and analysis (together the "**Financial Information**") to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, Registered Shareholders will receive a paper copy of each of a notice of the Meeting, this information circular and proxy statement and a form of proxy; whereas, Beneficial Shareholders will receive a Notice and-Access notification and a request for voting instructions. Furthermore, a paper copy of the Financial Information in respect of the most recent financial year of the Company will be mailed to Registered Shareholders as well as to those Beneficial Shareholders who have previously requested to receive them.

The Company will be delivering proxy-related materials directly to non-objecting Beneficial Shareholders with the assistance of Broadridge **and intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.**

## REVOCABILITY OF PROXY

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You may revoke your proxy at any time prior to a vote. If you or your proxyholder attend the Meeting in person, you or your proxyholder may revoke the proxy and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a company, under your corporate seal or by a duly authorized officer or attorney of the company. To be effective, the instrument in writing must be deposited either at the head office of the Company at any time up to and including the last business day before the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or by a duly executed and deposited form of proxy bearing a later date or time than the date or time of the proxy being revoked.



## PERSONS MAKING THE SOLICITATION

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**This solicitation is made on behalf of the Company's management.** PrairieSky will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual general meeting and this information circular and proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by the Company's directors, officers and employees who will not be remunerated therefor.

## EXERCISE OF DISCRETION BY PROXY

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The Common Shares represented by proxy in favour of management nominees will be voted on every matter at the Meeting. Where you specify a choice with respect to any matter to be acted upon, the Common Shares will be voted or withheld from voting on any matter in accordance with the specification so made. If you do not provide instructions, your Common Shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of annual general meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment or postponement thereof. At the time of printing this information circular and proxy statement, the Company knows of no such amendment, variation or other matter.

## QUORUM FOR MEETING AND APPROVAL REQUIREMENTS

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At the Meeting, a quorum shall consist of two (2) or more persons present in person at the Meeting and holding or representing by proxy not less than 25% of the outstanding Common Shares. If a quorum is not present at the opening of the Meeting, the shareholders present may adjourn the Meeting to a fixed time and place (including virtually) but may not transact any other business.

All of the matters to be considered at the Meeting other than the non-binding advisory vote on executive compensation are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution at the Meeting. The vote on our approach to executive compensation is advisory and the results will not be binding on the board of directors of the Company (the "**Board**") (see "*Matters to be Acted Upon at the Meeting – Advisory Vote on Executive Compensation*").

## REQUEST FOR MATERIALS

Beneficial Shareholders who wish to receive a paper copy of this information circular and proxy statement and/or the Financial Information should contact the Transfer Agent at the toll-free number 1-866-600-5869 or by email at [tsxtis@tmx.com](mailto:tsxtis@tmx.com) at any time up to and including the date of the Meeting or any adjournment thereof. In order to allow Beneficial Shareholders a reasonable time to receive paper copies of this information circular and proxy statement and related materials and to vote their Common Shares, any Beneficial Shareholders wishing to request paper copies as described above should ensure that such request is received by April 2, 2025. A Beneficial Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

PrairieSky is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series. As at February 28, 2025, there were 238,951,940 Common Shares and no preferred shares issued and outstanding. As a holder of Common Shares, you are entitled to one vote for each Common Share owned.

Other than as set forth below, to the knowledge of the Company's directors and officers, as at February 28, 2025, no person or company beneficially owned or controlled, directly or indirectly, Common Shares entitled to more than 10% of the votes which may be cast at the Meeting.



Registered Holder	Number of Common Shares <sup>(1)</sup>	Percentage of Issued and Outstanding <sup>(2)</sup>
RBC Global Asset Management Inc.	30,844,620	12.9%
FIL Limited <sup>(3)</sup>	25,187,970	10.5%
FMR LLC <sup>(4)</sup>	24,344,124	10.2%

Notes:

(1) Information on the number of Common Shares beneficially owned or controlled, directly or indirectly, is based solely on filings under the Company's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com).

(2) The percentage of issued and outstanding Common Shares owned has been calculated as at February 28, 2025.

(3) FIL Limited includes the following entities: FIL Limited and certain of its affiliates and Fidelity Investments Canada ULC.

(4) FMR LLC includes the following entities: Fidelity Management & Research Company LLC, Fidelity Management Trust Company, FIAM LLC, Fidelity Institutional Asset Management Trust Company, Strategic Advisers LLC, Crosby Advisers LLC and Fidelity Diversifying Solutions LLC.

As at February 28, 2025, PrairieSky's directors and officers, as a group, beneficially owned, directly or indirectly, or exercised control over 1,646,948 Common Shares or approximately 0.7% of the issued and outstanding Common Shares.



# MATTERS TO BE ACTED UPON AT THE MEETING

The following matters will be voted on at the Meeting:

Proposal	Management's Recommendation
Item 1: Elect the Directors of the Company	FOR
Item 2: Appoint the Auditors of the Company	FOR
Item 3: Approve the Advisory Vote on Executive Compensation	FOR

## ITEM 1: ELECTION OF DIRECTORS

The Board has fixed the number of directors at seven (7) members. Management is soliciting proxies, in the enclosed form of proxy, for an ordinary resolution in favour of the election as directors of the seven (7) nominees set forth below:

Margaret A. McKenzie	P. Jane Gavan	Andrew M. Phillips
Anna M. Alderson	Glenn A. McNamara	Sheldon B. Steeves
Anuroop S. Duggal		

Information on each director is included in the "Information on the Nominated Directors" section of this information circular and proxy statement. The election of the directors will be conducted by voting on each director individually (see "Statement of Corporate Governance Practices – Nomination and Election of Directors – Majority Voting Policy"). In the event that a vacancy among such nominees occurs because of death or for any reason prior to the Meeting, the proxy shall not be voted with respect to such vacancy. **All of the proposed nominees were elected as directors at the annual general meeting of shareholders of the Company held on April 22, 2024.**

The term of office of each director nominee will be from the date of the Meeting until the next annual meeting of shareholders or until his or her successor is elected or appointed.

**The Board unanimously recommends that the shareholders vote FOR the election of each of the director nominees and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the election of each of the director nominees.**

## ITEM 2: APPOINTMENT OF AUDITORS

Management is soliciting proxies, in the enclosed form of proxy, for an ordinary resolution in favour of the appointment of KPMG LLP, Chartered Professional Accountants, as auditors of the Company, to serve until the next annual meeting of shareholders and to authorize the Board to fix their remuneration as such. KPMG LLP has been the Company's auditor since November 2014. **At the 2024 annual general meeting of shareholders of the Company, this resolution passed with 206,307,862 Common Shares voted in favour (97.093% of Common Shares voted at the meeting).**

See the Company's annual information form for the year ended December 31, 2024 and dated February 10, 2025 (the "AIF") on page 108 for additional information regarding the fees paid to our external auditors in 2024 and 2023.

On February 10, 2025, the Audit Committee conducted an annual review of the auditor, which was subsequently reviewed with the Board. Following this review, each of the Board and the Audit Committee unanimously resolved to reconfirm KPMG LLP as auditors of PrairieSky and recommend their appointment to shareholders. The Audit Committee last completed a comprehensive five-year audit quality review in February 2024.

**The Board unanimously recommends that the shareholders vote FOR the appointment of auditors and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the appointment of auditors.**



### ITEM 3: ADVISORY VOTE ON EXECUTIVE COMPENSATION

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The underlying principle for executive pay and PrairieSky's compensation programs is "pay for performance". We believe that this philosophy achieves the goal of attracting, retaining and motivating employees at all levels, while encouraging behavior that results in the Company's growth and creation of long-term shareholder value. PrairieSky's compensation programs use a combination of cash and long-term incentives to reflect the Company's "pay for performance" philosophy and provide for a significant portion of an executive's compensation at risk while considering good governance practices and corporate risk management.

PrairieSky's Board welcomes and values input from PrairieSky shareholders on the Company's compensation programs and provides shareholders with an advisory vote on compensation, commonly referred to as a "say on pay" at the Meeting. As part of the Company's commitment to strong corporate governance practices, an advisory vote on pay has been held annually since 2017. Shareholders have the opportunity to vote "For" or "Against" our approach to executive compensation (to have a "say on pay") through the following resolution which conforms to the language of the resolution recommended by the Canadian Coalition for Good Governance:

**"Resolved, on an advisory basis and not to diminish the role and responsibilities of the board of directors of PrairieSky Royalty Ltd., that the shareholders accept the approach to executive compensation disclosed in the Company's information circular and proxy statement delivered in advance of the 2025 annual general meeting of shareholders of PrairieSky Royalty Ltd."**

As this is an advisory vote, the results will not be binding upon the Board; however, the Board will consider the outcome of the vote as part of its ongoing review of executive compensation. The Board believes that it is essential for the shareholders to be well informed of the Company's approach to executive compensation and considers this advisory vote to be an important part of the ongoing process of engagement between the shareholders and the Board. A detailed discussion of our executive compensation program is provided in the "Compensation Discussion and Analysis" section of this information circular and proxy statement. **At the 2024 annual general meeting of shareholders of the Company, this resolution passed with 206,685,414 Common Shares voted in favour (98.473% of Common Shares voted at the meeting).**

***The Board unanimously recommends that the shareholders vote FOR the advisory vote on executive compensation and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the advisory vote on executive compensation.***



## INFORMATION ON THE NOMINATED DIRECTORS

The following information relating to the director nominees is based partly on the Company's records and partly on information received by the Company from the nominees and sets forth the names, ages and cities of residence of the proposed nominees, their committee memberships, the date on which each became a director of the Company, voting results from the last annual meeting of shareholders, the present occupations and brief biographies of such persons, directorships of other public entities, and the number of Common Shares owned, controlled or directed by each and the number of deferred share units ("DSUs") granted under the DSU Plan (as defined herein) and held by each nominee as at February 28, 2025.

### Margaret A. McKenzie

Chair/Independent Director



**Age:** 63  
Calgary, Alberta, Canada  
**Director since:** December 19, 2014

**Board & Committee Attendance in 2024<sup>(1)</sup>**  
Board: 4 of 4 meetings (100%)  
Audit: 2 of 2 meetings (100%)

**Results of 2024 Annual Meeting of Shareholders**  
Votes in Favour: 209,835,908 (99.974%)  
Votes Against: 55,009 (0.026%)

Ms. McKenzie's principal occupation is as a Corporate Director. Ms. McKenzie was formerly the Vice-President, Finance and Chief Financial Officer of Range Royalty Limited Partnership and prior thereto was Vice-President, Finance and Chief Financial Officer of Profico Energy Management Ltd. (a private oil and natural gas company). Ms. McKenzie holds a Bachelor of Commerce degree (with distinction) from the University of Saskatchewan and has been a member of the Chartered Professional Accountants of Alberta since 1985. Ms. McKenzie obtained her ICD.D designation from the Institute of Corporate Directors in 2013 and was recognized as a Fellow of the Chartered Professional Accountants (FCPA) of Alberta in 2022.

Ms. McKenzie is a director of Canadian National Railway Company (a TSX and New York Stock Exchange ("NYSE") listed North American transportation and logistics company) and Spur Petroleum Ltd., a private oil and natural gas company.

**Securities Held**

Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 317,920  
DSUs: 69,382

**Public Company Directorships**

Canadian National Railway Company



## Anna M. Alderson

Independent Director



**Age:** 64  
Calgary, Alberta, Canada  
**Director since:** October 23, 2023

### Board & Committee Attendance in 2024

Board: 4 of 4 meeting (100%)  
Audit: 4 of 4 meetings (100%)  
Reserves: 1 of 1 meetings (100%)

### Results of 2024 Annual Meeting of Shareholders

Votes in Favour: 209,860,707 (99.986%)  
Votes Against: 30,210 (0.014%)

Ms. Alderson is an experienced Corporate Director based in Calgary with over 35 years of experience in all sectors of the energy industry as well as financial services. Ms. Alderson retired from KPMG in 2019 after a distinguished career as an audit partner in Calgary, Toronto and Hong Kong. Ms. Alderson is a Chartered Professional Accountant, holds her ICD.D designation from the Institute of Corporate Directors and earned a Bachelor of Commerce degree (with great distinction) from the University of Saskatchewan.

Ms. Alderson is a director of Tenaz Energy Corp., a TSX-listed oil and gas exploration company with assets in Canada and Europe. Ms. Alderson also serves as a member of the audit committees of the Calgary Foundation and Calgary Exhibition & Stampede.

### Securities Held

Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 12,700  
DSUs: 8,600

### Public Company Directorships

Tenaz Energy Corp.

## Anuroop S. Duggal

Independent Director



**Age:** 40  
Toronto, Ontario, Canada  
**Director since:** April 18, 2023

### Board & Committee Attendance in 2024

Board: 4 of 4 meetings (100%)  
Audit: 2 of 2 meetings (100%)  
Reserves: 1 of 1 meeting (100%)  
Governance & Compensation: 5 of 5 meetings (100%)

### Results of 2024 Annual Meeting of Shareholders

Votes in Favour: 207,811,552 (99.009%)  
Votes Against: 2,079,365 (0.991%)

Mr. Duggal is a private investor since 2018 with significant institutional investing experience with the global energy sector. He was a partner at 3G Capital, a global multi-billion dollar asset manager, where he helped launch, manage and grow a natural resource focused equity and credit fund. Prior to that he was an investor with Goldman Sachs Investment Partners, which was the Asset Management division's flagship hedge fund. Mr. Duggal was also an Adjunct Professor for the MBA program at Columbia Business School where he taught value investing courses through the Heilbrunn Center for Graham & Dodd Investing.

Mr. Duggal graduated from the University of Western Ontario with an Honours Business Administration degree (Richard Ivey School of Business, gold medalist) and an Electrical Engineering degree.

Mr. Duggal currently sits on the board of directors of Calfrac Well Services Ltd., a provider of specialized oilfield services, and Optiva Inc., a provider of software to the telecommunications industry, both of which are listed on the TSX.

### Securities Held

Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 10,000  
DSUs: 17,864

### Public Company Directorships

Calfrac Well Services Ltd.  
Optiva Inc.



## P. Jane Gavan

Independent Director



**Age:** 65  
Toronto, Ontario, Canada  
**Director since:** May 18, 2019

**Board & Committee Attendance in 2024**  
Board: 4 of 4 meetings (100%)  
Audit: 2 of 2 meetings (100%)  
Governance & Compensation: 7 of 7 meetings (100%)

**Results of 2024 Annual Meeting of Shareholders**  
Votes in Favour: 203,184,216 (96.805%)  
Votes Against: 6,706,701 (3.195%)

Ms. Gavan is President, Asset Management of Dream Unlimited Corp. ("**Dream**") and has more than 30 years of experience in the real estate industry having held increasingly senior positions since joining Dream's predecessor organization in 1998. Ms. Gavan has previously served as Chief Executive Officer of Dream Residential REIT, Dream Global REIT and Dream Office REIT, all of which are or were listed on the TSX. Prior to joining Dream, Ms. Gavan served as legal counsel for Oxford Properties Group and Denison Mines Corp. and began her career in private law practice with Blake, Cassels and Graydon LLP, specializing in real estate and corporate finance.

Ms. Gavan earned an Honours Bachelor of Commerce degree from Carleton University and a Bachelor of Laws degree from Osgoode Hall, York University.

Ms. Gavan currently sits on the board of directors of Colliers International Group Inc., Dream Unlimited Corp. and its related entities Dream Residential REIT and Dream Office REIT, all of which are listed on the TSX. Ms. Gavan has served on the board of directors of the Women's College Hospital Foundation and is also on the Patron's Council for Community Living Toronto.

**Securities Held**  
Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 9,700  
DSUs: 63,848

**Public Company Directorships**  
Colliers International Group Inc.  
Dream Unlimited Corp. (and its related entities Dream Residential REIT and Dream Office REIT)

## Glenn A. McNamara

Independent Director



**Age:** 71  
Calgary, Alberta, Canada  
**Director since:** December 4, 2023

**Board & Committee Attendance in 2024**  
Board: 4 of 4 meeting (100%)  
Reserves: 2 of 2 meeting (100%)  
Governance & Compensation: 5 of 5 meetings (100%)

**Results of 2024 Annual Meeting of Shareholders**  
Votes in Favour: 209,865,110 (99.988%)  
Votes Against: 25,807 (0.012%)

Mr. McNamara is a Professional Engineer with more than forty years of oil and gas exploration and production experience in progressively more senior roles in Canada and across a variety of international regions, including South America, the United States, Europe and Asia Pacific. His extensive commercial and operational experience spans both large organizations and smaller entrepreneurial environments, most recently serving as President & Chief Executive Officer and a director of Heritage Royalty. Prior to Heritage Royalty, Mr. McNamara's experience included serving as President of BG Canada, responsible for all aspects of BG Canada's business and holding

several senior executive positions with ExxonMobil, ExxonMobil Canada, and Mobil Oil Canada, including President of ExxonMobil Canada West.

Mr. McNamara currently sits on the board of directors of Parex Resources Inc. and Whitecap Resources Inc., both of which are oil and natural gas companies listed on the TSX.

**Securities Held**  
Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 12,800  
DSUs: 13,002

**Public Company Directorships**  
Parex Resources Inc.  
Whitecap Resources Inc.



## Andrew M. Phillips

President & Chief Executive Officer / Non-Independent Director



**Age:** 47  
Calgary, Alberta, Canada  
**Director since:** April 11, 2014

**Board & Committee Attendance in 2024**  
Board: 4 of 4 meetings (100%)<sup>(3)</sup>

**Results of 2024 Annual Meeting of Shareholders**  
Votes in Favour: 209,849,532 (99.980%)  
Votes Against: 41,385 (0.020%)

Mr. Phillips is the President and Chief Executive Officer of the Company ("CEO") and has over 20 years of experience in the oil and natural gas industry in the areas of exploration, geology, business development, asset evaluation and executive management. Prior to his appointment as CEO, Mr. Phillips was the President and Chief Executive Officer and a director of Home Quarter Resources Ltd., a private oil and natural gas company founded by Mr. Phillips in 2010 with producing properties and royalty interests in southwest Saskatchewan and Alberta. Home Quarter Resources Ltd. was successfully divested to a public oil and natural gas company in 2014. Prior thereto, Mr. Phillips was the Vice President, Exploration at Evolve Exploration Ltd., a private junior oil and natural gas company with assets in Western

Canada, and an Exploration Geologist at Profico Energy Management Ltd. and at Renaissance Energy Ltd., both of which were Canadian oil and natural gas exploration companies.

Mr. Phillips holds a Bachelor of Science, Geology degree from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Phillips is a member of the board of directors of the Alberta Children's Hospital Foundation.

### Securities Held

Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 962,981  
DSUs<sup>(4)</sup>: -

### Public Company Directorships

n.a.

## Sheldon B. Steeves

Independent Director



**Age:** 71  
Calgary, Alberta, Canada  
**Director since:** April 11, 2014

**Board & Committee Attendance in 2024**  
Board: 4 of 4 meetings (100%)  
Reserves: 2 of 2 meetings (100%)  
Audit: 4 of 4 meetings (100%)  
Governance & Compensation: 7 of 7 meetings (100%)

**Results of 2024 Annual Meeting of Shareholders**  
Votes in Favour: 209,757,333 (99.936%)  
Votes Against: 133,584 (0.064%)

Mr. Steeves' principal occupation is as a Corporate Director. From January 2001 until April 2012, Mr. Steeves was Chairman and Chief Executive Officer of Echoex Ltd., a private junior oil and natural gas company, and spent over 15 years at Renaissance Energy Ltd., a Canadian oil and natural gas exploration company, where he was appointed Chief Operating Officer & Executive Vice President in 1997.

Mr. Steeves holds a Bachelor of Science degree in Geology from the University of Calgary and is a member of the Association of Professional Engineers and Geoscientists of Alberta, the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists.

### Securities Held

Common Shares Owned, Controlled or Directed<sup>(2)</sup>: 28,000  
DSUs: 68,170

### Public Company Directorships

n.a.

### Notes:

- (1) Ms. McKenzie, as incoming Chair and as Chair and an Ex-Officio member of the Audit Committee, Reserves Committee and Governance and Compensation Committee, attended all Committee meetings during 2024.



- (2) The information as to Common Shares beneficially owned, directly or indirectly, is based upon information furnished to PrairieSky by the nominees. DSUs do not include dividend equivalents.
- (3) Mr. Phillips was invited to and attended all Audit Committee and Reserves Committee meetings during 2024. He was invited to and attended 6 of 7 Governance and Compensation Committee meetings during 2024. One meeting was held entirely in camera.
- (4) As at February 28, 2025, Mr. Phillips held an aggregate of 281,403 PSUs and 242,570 ODSUs (each as defined herein), excluding dividend equivalents, which have been granted to him in his capacity as an officer of the Company. See "*Compensation Discussion and Analysis - Executive Compensation*" herein.

## ADDITIONAL DISCLOSURE RELATING TO PROPOSED DIRECTORS

None of the proposed directors (nor any personal holding company of any of such persons) is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including PrairieSky) that was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an Order that was issued after the director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as disclosed below, none of the proposed directors (nor any personal holding company of any of such persons) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including PrairieSky) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Ms. Margaret McKenzie was a director of Endurance Energy Ltd. ("**Endurance**"), a corporation engaged in the exploration and production of natural gas. Endurance filed for creditor protection under the *Companies Creditors' Arrangement Act* on May 30, 2016. Ms. McKenzie resigned as a director of Endurance on March 31, 2016.

None of the proposed directors (nor any personal holding company of any of such persons) has been subject to 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## VOTING POLICY FOR ELECTION OF DIRECTORS

Director nominees are voted for on an individual, not a slate, basis. Furthermore, the Board has adopted a Policy on Directors' Voting Procedures (the "**majority voting policy**"), which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at an uncontested meeting of the shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of shareholders at which the director was elected. Upon receiving such offer of resignation, the Governance and Compensation Committee (the "**GC Committee**"), a sub-committee of the Board as detailed below, will consider such offer and make a recommendation to the Board whether to accept it or not. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any GC Committee or Board deliberations on the resignation offer. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days. See "*Statement of Corporate Governance Practices – Nomination and Election of Directors – Majority Voting Policy*" at page 30 hereof.



# STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Board has adopted mandates, position descriptions and corporate governance principles and practices that meet the independence and other governance standards and guidelines set out in National Instrument 52-109 – *Certification of Disclosure in Issuers Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees ("NI 52-110")*, National Instrument 58-101 – *Disclosure of Corporate Governance Practices ("NI 58-101")* and National Policy 58-201 – *Corporate Governance Guidelines*. The corporate governance principles address various topics, including:

- responsibilities and duties of the Board;
- composition of the Board, including criteria for remaining a director;
- compensation of the Board;
- composition and responsibilities of the Audit Committee, the Reserves Committee and the GC Committee;
- relationship of the Board with management;
- director orientation and continuing education; and
- diversity of the Board.

## THE BOARD

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Currently, the Company has seven (7) directors, six (6) of whom, including the Chair of the Board, are independent as specified in NI 58-101 and one (1) of whom is not as he is the CEO. A total of seven (7) directors are nominated for election at the Meeting, six (6) of whom are independent as specified in NI 58-101. A director is independent if he or she has no direct or indirect material relationship with the Company or its subsidiaries. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Certain types of relationships are, by their nature, considered to be material relationships.

Our Board mandate requires that the Board must hold in camera meetings regularly, without non-independent directors, officers or other management team members present. Both the Board, as well as all Board committees, meet in camera and independent of management at every meeting, generally immediately following regularly scheduled Board meetings and committee meetings or prior to passing resolutions proposed at such meetings. The chairs of the Board and the Board committees follow up with the CEO as necessary with respect to matters requiring management action that are raised at these in camera meetings. The Board also excuses members of management and any non-independent directors from portions of any meeting at which a potential conflict arises or where otherwise appropriate. In 2024, four (4) Board meetings were called and the independent directors met, in camera at or following each meeting. The Board also held several update calls and meetings with management which were not formally constituted as Board meetings.

The Board, through review and approval by the Board Chair and the GC Committee, limits the number of other director positions a PrairieSky director may hold. Prior to nominating any director for election or re-election to the Board, the GC Committee considers whether the director has external commitments that may impede his or her ability to devote sufficient time and focus to the Company's affairs. In determining whether a director's external commitments may impede his or her ability to devote sufficient time and focus to the Company's affairs, the GC Committee considers third-party proxy advisor guidelines as well as each director's individual circumstances, including the nature of the boards the director serves, whether such boards are within a consolidated group of companies, the director's performance including attendance at meetings and the special skills and qualities the director brings to the Board. The directors of the Company who are also directors of other reporting issuers (or the equivalent) are as follows:



Director	Other Directorships	Stock Exchange
Margaret A. McKenzie	Canadian National Railway Company	TSX, NYSE
Anna M. Alderson	Tenaz Energy Corp.	TSX
Anuroop S. Duggal	Calfrac Well Services Ltd. Optiva Inc.	TSX TSX
P. Jane Gavan	Colliers International Group Inc. Dream Unlimited Corp. (and related entities Dream Residential REIT and Dream Office REIT)	TSX TSX (All)
Glenn A. McNamara	Parex Resources Inc. Whitecap Resources Inc.	TSX TSX

## MEETING ATTENDANCE

Directors are expected to attend all meetings of the Board and the committees on which they participate, either in person or by videoconference, subject to unavoidable conflicts. Directors are also expected to attend the annual shareholders' meeting. Directors are typically welcome to attend all committee meetings regardless of membership, unless otherwise determined by the applicable committee Chair. The 2024 Board and committee meetings attendance for non-management directors is outlined below. Mr. Phillips is a management director and is not a member of any committees.

Director <sup>(1)</sup>	Board Meeting Attendance	Audit Committee Attendance	Governance & Compensation Committee Attendance	Reserves Committee Attendance	Total Board and Committee Meeting Attendance
Margaret A. McKenzie <sup>(2)</sup>	4 of 4	2 of 2	-	-	6 of 6
Anna M. Alderson	4 of 4	4 of 4	-	1 of 1	9 of 9
Anuroop S. Duggal	4 of 4	2 of 2	5 of 5	1 of 1	12 of 12
P. Jane Gavan	4 of 4	2 of 2	7 of 7	-	13 of 13
Glenn A. McNamara	4 of 4	-	5 of 5	2 of 2	11 of 11
Sheldon B. Steeves	4 of 4	4 of 4	7 of 7	2 of 2	17 of 17
James M. Estey <sup>(3)</sup>	2 of 2	-	2 of 2	-	4 of 4
Leanne M. Bellegarde, KC <sup>(3)</sup>	0 of 2	0 of 2	-	-	0 of 4
Grant A. Zawalsky <sup>(3)</sup>	2 of 2	-	-	1 of 1	3 of 3

Notes:

- (1) Does not include Mr. Phillips who is a management director. Mr. Phillips was invited to and attended all Board, Audit Committee and Reserves Committee meetings in 2024. Mr. Phillips was invited to and attended 6 out of 7 GC Committee meetings during 2024 as one meeting was held entirely in camera. Attendance in the chart above only reflects attendance where the director is a member of the committee.
- (2) Ms. McKenzie as Chair of the Board is an Ex-Officio member of all committees. Ms. McKenzie attended all committee meetings in 2024.
- (3) Mr. Estey, Ms. Bellegarde and Mr. Zawalsky did not stand for re-election at the April 22, 2024 annual general meeting. Following the annual general meeting on April 22, 2024, all committees were reconstituted.

## INTERLOCKING BOARDS

The Board's mandate does not specifically prohibit interlocking board positions. The Board prefers to examine each situation on its own merits with a view to examine material relationships which may affect independence. There are no interlocking board memberships among our directors as at February 28, 2025.



## BOARD MANDATE

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PrairieSky's governance practices are designed to align the interests of the Board and management with those of our shareholders, to promote a culture of responsible and ethical behaviour and to facilitate effective risk management. The primary responsibility of the Board is to appoint competent management and to oversee the management of the business and affairs of the Company with a view to maximizing shareholder value and ensuring corporate conduct in an ethical and legal manner through an appropriate system of corporate governance and internal controls. The Board is also responsible for monitoring the effectiveness of corporate objectives directed at benefitting all stakeholders and ensuring the long-term sustainability of the Company, which specifically includes overseeing and monitoring the Company's environmental, social, governance and health and safety matters as well as corporate social responsibility initiatives. The Board has exclusive power, control and authority over the property and affairs of the Company. Subject to the provisions of the *Business Corporations Act* (Alberta), the Board may delegate certain of those powers and authority that the directors of the Company, or independent directors, as applicable, deem necessary or desirable to affect the actual administration of the duties of the Board. The directors of the Company have certain responsibilities as more particularly described in the Board of Directors' Mandate, a copy of which is attached as Appendix "A" to this information circular and proxy statement.

## POSITION DESCRIPTIONS

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The Board has adopted written guidelines for the Chair of the Board, the Chair of each of the Audit Committee, the GC Committee, the Reserves Committee and the CEO.

The primary responsibilities of the Chair of the Board include: (i) ensuring that the Board is properly organized, functions effectively and meets its obligations and responsibilities in all aspects of its work, including those relating to corporate governance matters; (ii) working with the CEO to coordinate the affairs of the Board and ensure effective relations with the directors of the Company, shareholders, other stakeholders and the public; and (iii) working with management of the Company and the Board to ensure appropriate and meaningful oversight of the organization including to facilitate the review and evaluation of the Company's risk management framework.

The responsibilities of the Chair of each committee include: (i) ensuring that their respective committee is properly organized, functions effectively and meets its obligations and responsibilities in accordance with its mandate; and (ii) to liaise and communicate with the Chair of the Board to coordinate input from the committee for Board meetings.

The primary responsibilities of the CEO include: (i) providing leadership, general direction and management of the business and affairs of the Company in accordance with the corporate strategy and objectives approved by the Board, within the authority limitations delegated by the Board; and (ii) establishing a process of supervision of the business and affairs of the Company that are consistent with corporate objectives, ensuring proper risk management and that procedures are in place for proper external and internal corporate communications to all stakeholders, and monitoring and reporting results to the Board.

## ORIENTATION AND CONTINUING EDUCATION

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The orientation and continuing education of the directors of the Company is the responsibility of the GC Committee. The details of the orientation of new directors is tailored to the needs and areas of expertise of the applicable director and include the delivery of written materials and participation in meetings with management and directors. The focus of the orientation program is on providing new directors with: (i) information about the duties and obligations of directors; (ii) information about the Company's strategy and business, including capital allocation and corporate responsibility; (iii) the expectations of directors; (iv) opportunities to meet with management and any other senior employees or consultants designated for this purpose; (v) details on the Company's commitment to sustainability and its environmental, social and governance initiatives and reporting; and (vi) access to documents from recent meetings of the Board as well as the resource centre within the Board information portal.

The current directors of the Company were chosen for their specific level of knowledge, perspective and expertise. All directors are provided with materials relating to their duties, roles and responsibilities. In addition, all Board members have been provided with a copy of the written mandate and guidelines for the Board and each of its committees, respectively, and a copy



of the Board's approved policies relating to, among other things, the business conduct and ethics of directors, diversity and fair dealing, conflict management and approval levels for officers and employees, auditor independence, employee complaint procedures for accounting controls and auditing matters and confidentiality, fair disclosure and trading in securities. Board members have also been provided with a copy of each committee's planning schedules/work plans, as applicable. New Board members are provided with these materials as part of their orientation.

The Board receives, on a regular basis, materials of interest including analyst and industry reports from the Chair of the Board and the executive officers. In addition, directors are kept informed as to matters impacting, or which may impact, the business of the Company through reports and presentations by internal and external presenters at meetings of the Board and during periodic strategy sessions held by the Board.

The Board typically schedules quarterly dinners at which various topics are discussed, such as industry trends, technical updates, strategic opportunities, corporate goals and strategies, board composition and diversity, corporate, social and environmental responsibility, capital allocation, executive compensation, and succession planning matters. Employees of the Company may be invited to and attend the Board dinners to encourage sharing of information and ideas, as well as to foster the Company's focus on a corporate culture of inclusiveness. From time to time, the Board invites an external expert to present on topics of interest at such dinners or at Board or committee meetings.

All of our directors regularly engage in a variety of continuing education activities, including industry conferences and seminars. Ms. McKenzie, Ms. Alderson and Mr. Steeves have completed the Institute of Corporate Directors (ICD), Directors Education Program, and regularly attend the ICD Calgary Chapter education seminars that are held throughout the year. Directors regularly attend seminars on various topics relevant to directors' evolving role and responsibilities. Individual directors can attend continuing education conferences at the Company's expense.

Board members actively participated throughout 2024 in external continuing education opportunities and collectively attended dozens of events. PrairieSky's directors stay current on trends in the energy industry, governance and social topics, executive compensation, cybersecurity, the Canadian and global economy, regulatory developments, including on environment and climate change, and on other issues that may impact the Company's business, operations and financial condition. Below is a sample of continuing education that independent directors participated in for 2024:

Topic	Presented by	Attended by
Executive compensation trends	Hugessen Consulting Inc.	All Directors
Various topics including: The Future of Sustainability Reporting with ISSB Standards; Organizational Resilience and Why It Matters; Charting the Future of Canadian Governance	Institute of Corporate Directors	Ms. Alderson, Ms. Gavan, Ms. McKenzie and Mr. McNamara
Various topics including: ChatGPT for Accountants; Dark Web and Cybersecurity for Accountants; Ethics and Technology; Contemporary Ethics	CPA Alberta	Ms. Alderson and Ms. McKenzie
Various Topics	Peters & Co. Conference	Mr. Duggal
TPH Board Series – Various Topics	TPH&Co.	Ms. McKenzie and Mr. Steeves

During 2024, management presented to the Board on matters such as enterprise risk management, compensation policies and strategies, climate change, carbon sequestration opportunities, the Company's operations, and the performance and management thereof, sustainability, evolving energy markets, capital markets, human resources management, including, corporate performance reviews, information technology and acquisition strategies. Analyst and other third-party reports on the Company and the industry were also made available to the Board.

Directors have full and free access to the executive officers and employees of the Company and may arrange meetings either directly or through the CEO. In addition, Board members are encouraged to attend industry and other relevant stakeholder events.



## DIRECTOR TERM LIMITS

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The Board has adopted the Board Renewal Policy which provides a framework for the Company to allow for renewal of the Board by providing for the "deemed resignation" of a director on the earlier of the director: (i) reaching the age of 72; or (ii) having served as a non-executive director of the Company for 15 years.

Upon receipt of a "deemed resignation", the GC Committee will consider whether the continued service of the director would be in the best interests of the Company in light of, among other relevant considerations, the individual director's and the Board's competencies and skills, the size of the Board and the composition of the Board in light of PrairieSky's Board Diversity Policy (as described below) and will make a recommendation to the Board to accept or reject the deemed resignation of the individual director.

If the GC Committee recommends that the Board accept the director's deemed resignation, it shall recommend that the deemed resignation be accepted in conjunction with the Company's next annual general meeting of shareholders or such other date as it reasonably believes will allow for orderly transition. The Board shall consider but is not obligated to follow the recommendation of the GC Committee.

If the deemed resignation of a director pursuant to the Board Renewal Policy is not accepted, the director shall be deemed to re-submit such resignation prior to each annual meeting of shareholders beginning on the next calendar year following the year in which the initial deemed resignation was submitted.

The Board Renewal Policy is available on the Company's website under *Corporate Governance Policies and Related Documents* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

## TENURE

The GC Committee considers the benefits of regular renewal in the context of the needs of the board at the time and the benefits of the institutional knowledge of the board members. As at December 31, 2024, the Board was comprised of 7 directors with an average tenure of approximately 6 years. The tenure of the PrairieSky's directors is summarized as follows: three of our directors have been on our Board for approximately 10 years, including the CEO; one of our directors has been on our board for approximately 6 years; and three of our directors have been on our board for less than 2 years.

## DIVERSITY AND INCLUSION

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The Company maintains an inclusive work environment and diverse workforce that is focused on respect, integrity and inclusion. PrairieSky is committed to maintaining an inclusive work environment that is focused on providing advancement opportunities to persons of all genders, ethnicities and orientations, based on merit and recognizes the value of a diverse and inclusive environment, as it enables broader exchanges of perspectives and enriches discussions at all levels of the business. Annually, the Company provides mandatory diversity and inclusion training for employees which is prepared and presented by a third-party and maintains a blind hiring procedures to reduce unconscious bias in our talent recruitment process.

At December 31, 2024, the Company had three female directors (50% of the independent directors). Of the six (6) independent directors to be nominated at the Meeting, three (3) (50%) are female and one (1) is a racially diverse person bringing overall diversity of the independent members of the Board beyond gender to sixty six percent (66%). Of the Company's executive, one executive officer (25% of the executive officers) is female and one executive officer is a racially diverse person (25% of the executive officers) bringing overall diversity of the executive officers beyond gender to fifty percent (50%). At December 31, 2024, of the Company's full and part-time employees, 63% were women and of the Company's managers, 67% were women.

## BOARD DIVERSITY

The Board has adopted the Board Diversity Policy that recognizes the beneficial impact of diversity on decision-making and overall Board performance. The Board Diversity Policy formally recognizes that the nomination and appointment of candidates with multiple perspectives, knowledge, skills, expertise, education, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions will contribute to the continued success of the Company.



The Board Diversity Policy sets out the framework for PrairieSky's approach to Board diversity and outlines the key criteria for the composition of the Board to promote the Company's commitment to diversity and inclusion. In early 2021, the GC Committee and the Board approved certain amendments to the Board Diversity Policy including committing to a "Board Gender Diversity Target" to increase the Board composition to achieve at least thirty percent (30%) women directors by 2025. The Board has surpassed this target and once again in 2025, of the directors proposed for re-election at the Meeting, three candidates, including our Board Chair, are women which represents forty-three (43%) of the Board and 50% of independent directors. The Board also has one director who is a racially diverse person. In line with PrairieSky's Board Diversity Policy, the Board will give significant consideration to fulfilling and/or maintaining its diversity targets, and specifically adding female and other diverse candidates who otherwise bring complementary skills to the Board, in the event of an earlier planned or unplanned retirement. The Board Diversity Policy also includes a mandate to foster inclusivity across the organization including at the Board level, for persons who identify as ethnic, racial or Indigenous. At the current time, there is no plan to increase the size of the Board beyond seven (7) directors (six (6) independent directors).

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

In considering suitable candidates for appointment or re-election to the Board, or whether to accept the deemed resignation of a director pursuant to the Board Renewal Policy, the GC Committee shall: (i) consider all aspects of diversity including, but not limited to, those described above, in order to enable the GC Committee to discharge its duties and responsibilities effectively; (ii) assess the skills and backgrounds collectively represented on the Board to ensure that they reflect the diverse nature of the business environment in which PrairieSky operates; (iii) consider candidates on merit against objective criteria having due regard to the benefits of diversity on the Board; and (iv) engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the Board's skills and diversity criteria.

In addition, when identifying potential candidates for appointment to the Board in order to achieve the Board diversity target, the GC Committee shall: consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board; maintain an "evergreen" list of potential candidates for election to the Board, which list would include parity between men and women candidates from a broad range of organizations; periodically assess the effectiveness of the nomination process designed to achieve the Company's diversity objectives outlined in the Board Diversity Policy; and consider the level of representation of women on the Board and ensure that women are included in the short list of candidates being considered for a Board position.

Each year the GC Committee is to: (i) assess the effectiveness of the Board Diversity Policy and related objectives; (ii) monitor and review the Company's progress in achieving its aspirational target for gender diversity; (iii) monitor the implementation of the Board Diversity Policy; and (iv) report to the Board and recommend any revisions that may be necessary. Additionally, the Board intends to review its Diversity Policy upon release of any new amendments or guidelines from the Canadian Securities Administrators as well as any other changes to recommended best practices.

The Board Diversity Policy is available on the Company's website under *Corporate Governance Policies and Related Documents* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

## REPRESENTATION OF WOMEN IN EXECUTIVE POSITIONS

The Company has not adopted specific targets for women in executive positions. The Board believes that the appointment of executive officers should be made based on each candidate's experience, knowledge, education, management capabilities and competency, as well as the effect of the appointment on the diversity of the Company's executive officers as a whole. Our Senior Vice-President, Finance and Chief Financial Officer ("**CFO**") is a woman (25% of executive officers in 2024) and of the Company's employees at December 31, 2024, 63% were women and of the Company's managers, 67% were women. We believe the Company's philosophy of development and promotion from within will strengthen our values and culture, aid in retention of talent and provide a diversity of options for succession.



## BUSINESS CODE OF CONDUCT

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The Board has adopted a written Business Code of Conduct that encourages and promotes a culture of sound, ethical and responsible business conduct and the highest levels of personal conduct and ethical standards that is applicable to all individuals engaged in the Company's business, including all employees, contractors, suppliers, officers and directors of the Company. The Company has filed a copy of its Business Code of Conduct on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) under the Company's profile and on the Company's website under *Corporate Governance Policies and Related Documents* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

The Business Code of Conduct reflects PrairieSky's core values of honesty, integrity and fairness and was developed in alignment with key principles from the United Nations Global Compact, the Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights, the United Nation's Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. The principles in the Business Code of Conduct shape the Company's activities and address the following matters relating to four main categories of (A) Ethics and Integrity, (B) Labour Practices and Standards, (C) Environment, and (D) Compliance: compliance with laws and regulations; commitments to anti-corruption, anti-bribery; prohibitions on inducements, gifts and facilitation payments; avoiding conflicts of interest; promoting fair dealing and no improper advantages; avoiding unfair competition; prohibition on taking advantage of corporate opportunities; imposing anti-fraud measures and mandatory reporting; respecting confidentiality; securities trading, insider reporting and trading in restricted securities; disclosure procedures; maintaining accurate books and records; data privacy and information security; protection, and acceptable use, of systems and assets; restrictions on political involvement and lobbying activities; respecting fundamental human rights; expressly prohibiting discrimination, harassment in the workplace and promoting diversity and equal opportunity; commitment to health and safety; commitment to respecting Indigenous community rights and the environment; recognizing the benefits of community investment; outlining the responsibilities of covered persons; detailing non-compliance with the Business Code of Conduct; mandatory reporting of illegal or unethical behavior; monitoring and enforcement actions by the Company; and waivers and amendments of the Business Code of Conduct. No waiver of the Business Code of Conduct may be made where the conduct subject to the waiver contravenes any applicable law, rule, regulation or stock exchange requirement. Waivers of the Business Code of Conduct for officers or directors may only be made by the Board and will be promptly disclosed to the extent required by law, rule, regulation or stock exchange requirement.

The Business Code of Conduct applies to all individuals engaged in the Company's business, including all employees, contractors, suppliers, officers and directors of the Company. All employees (including executive officers) and directors are required to certify compliance with the Business Code of Conduct when joining PrairieSky and on an annual basis, along with other Company policies that are congruent with the Business Code of Conduct and provide more detailed information and requirements on specific topics. New directors, officers, employees and contractors are required to receive an orientation about the Company's Business Code of Conduct and other Company policies when they commence their engagement with PrairieSky. In addition, the Board has the responsibility to monitor compliance with the Business Code of Conduct and to recommend improvements as deemed necessary or appropriate. The Company monitors compliance with the Business Code of Conduct, and the Board and management of the Company encourage and promote a culture of ethical business conduct in the following ways: (i) annual review and certification; (ii) Business Code of Conduct training program; (iii) fraud response plan; (iv) Business Code of Conduct violation reporting; and (v) internal audit functions.

The GC Committee and the Board review and update the Company's Business Code of Conduct regularly to ensure that it is consistent with current industry trends and standards, clearly communicates PrairieSky's organizational mission, values, and principles, and, most importantly, serves as a reference guide for directors, management, employees, suppliers and consultants of the Company to support everyday decision making. The Business Code of Conduct was last reviewed and amended by the GC Committee in 2024 and ratified by the Board in 2024.

## INVESTIGATIONS PRACTICE POLICY

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In addition to the Business Code of Conduct, the Board has adopted an investigations practice policy which includes procedures to address the confidential, anonymous submission by all individuals engaged in the Company's business, including all former, present and prospective employees, contractors, officers and directors of concerns regarding any suspected violations of the Company's *Business Code of Conduct* or any related policies. The Board believes that providing a



forum to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct. See the Company's website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance) under *Corporate Governance Policies and Related Documents* and the headings "Investigations Practice Policy" and "Whistleblower Process" for further information regarding the investigations practice and the independent anonymous whistleblower hotline ([www.prairiesky.confidenceline.net](http://www.prairiesky.confidenceline.net)).

## SUPPLIER CODE OF CONDUCT

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The Company's Supplier Code of Conduct (the "**Supplier Code**") has been implemented across its supply chain which consists almost exclusively of professional service providers, information technology services and applications, and other service providers that support the Company's office and remote work environments. This includes consultants, contractors, advisors and other business partners through which PrairieSky procures goods and services, as well as their employees, sub-contractors and sub-suppliers. PrairieSky is committed to conducting its business ethically and legally, with honesty, integrity, and fairness. PrairieSky's high standard of responsible business practices not only applies to the Business Code of Conduct, but also extends to our suppliers through the Supplier Code which was developed in alignment with principles from the United Nations Global Compact, the Universal Declaration of Human Rights, the United Nations' Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work. The Supplier Code was updated in 2024 and applies to all of PrairieSky's suppliers including all entities that provide goods or services, whether to or on behalf of PrairieSky. The Supplier Code requires full compliance with applicable laws, including fundamental human rights, non-discrimination, freedom of association and collective bargaining, Indigenous and community rights, and health and safety. The Supplier Code also includes PrairieSky's standards as they relate to the environment, pollution prevention and resource reduction, waste, energy consumption and greenhouse gas emissions, forced labour, as well as ethics and integrity requirements including anti-corruption and bribery provisions. For a complete description of the Supplier Code please refer to our website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance) under *Corporate Governance Policies and Related Documents*.

## HUMAN RIGHTS, HEALTH AND SAFETY, DISCRIMINATION, HARASSMENT AND EQUAL OPPORTUNITY

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The Company has adopted: (i) a Human Rights Policy; (ii) a Respectful Workplace Policy; (iii) an Environment, Climate Change, Health and Safety Policy; and (iv) a Joint Worksite Health and Safety Committee Policy which, collectively, in addition to the Company's Business Code of Conduct, provide the framework for the Company to maintain a safe working environment, free of discrimination and harassment, in which all individuals are treated with respect and dignity, are able to contribute fully and have equal opportunities.

At PrairieSky, respect for human rights is fundamental to the way we do business and is part of the Company's core values across all of its business activities. The Human Rights Policy was updated in 2024 and articulates PrairieSky's responsibility to respect all applicable employment, labour and human rights laws and regulations as well as internationally proclaimed human rights principles. The Human Rights Policy was developed based on the principles of the United Nations Global Compact (of which the Company is a signatory), the United Nations Universal Declaration of Human Rights and the International Labor Organization's Declaration of Fundamental Principles and Rights at Work to confirm PrairieSky's alignment with respect to human rights and to ensure its compliance with all legislation (including, but not limited to, employment standards codes, human rights acts, personal information protection acts and occupational health and safety codes) and recognized standards.

The foregoing policies also deal with harassment and workplace violence, for which the Company has zero tolerance. Such policies articulate the Company's position with respect to: (i) diversity, equal opportunity, discrimination, harassment and threats or acts of violence; (ii) ensuring a safe work environment for its employees; (iii) its commitment to the protection of the environment; (iv) reporting inappropriate conduct, harassment and workplace violence; (v) disciplinary measures; and (vi) the development of procedures to prevent and address human rights issues as PrairieSky supports the Ten Principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption.

More details on PrairieSky's commitment to the Ten Principles of the United Nations Global Compact can be found at [www.unglobalcompact.org/what-is-gc/participants/138331-PrairieSky-Royalty-Ltd](http://www.unglobalcompact.org/what-is-gc/participants/138331-PrairieSky-Royalty-Ltd). PrairieSky's progress report in relation to



its commitment to the principles set forth in the United Nations Global Compact can be found in our Sustainability Report on PrairieSky's website at [www.prairiesky.com/responsibility/our-approach](http://www.prairiesky.com/responsibility/our-approach). In addition, the Company's first report detailing its compliance with the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Modern Slavery Act**") was prepared on May 22, 2024 and is available on the Company's website at [www.prairiesky.com/responsibility/governance](http://www.prairiesky.com/responsibility/governance).

## ENVIRONMENTAL, SOCIAL, GOVERNANCE AND CORPORATE RESPONSIBILITY

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The Company aims to provide long-term shareholder and stakeholder value by actively managing risk and upholding the highest standards of governance and ethics. The Company approaches our relationships with all stakeholders with integrity and respect and takes care to select operators and suppliers that share its core values. While PrairieSky does not operate, develop or produce any hydrocarbons from its lands, PrairieSky recognizes its business model is dependent on the industry operating in a responsible fashion.

The Company's Environment, Climate Change, Health and Safety Policy was last updated in 2024 and reflects PrairieSky's intention to be environmentally and socially responsible in its business, including supporting and participating in various environmental initiatives, meeting compliance with environmental, climate change and occupational health and safety laws, providing regular, objective reporting on environmental, climate change and health and safety performance (through PrairieSky's annual Sustainability Report, discussed above), and through consultation and engagement with employees and stakeholders to share perspectives on environmental, health and safety issues. For a complete description of the Environment, Climate Change, Health and Safety Policy, please refer to our website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance) under *Corporate Governance Policies and Related Documents*.

A detailed description of PrairieSky's comprehensive environmental, social and governance ("**ESG**") disclosures is included in our annual Sustainability Report which includes our Global Reporting Initiative ("**GRI**"), Sustainability Accounting Standards Board ("**SASB**") and World Economic Forum ("**WEF**") Reference Index, as well as our progress report on the principles set forth in the United Nations Global Compact. Our Sustainability Report can be found on our website at [www.prairiesky.com/responsibility/our-approach](http://www.prairiesky.com/responsibility/our-approach) and includes our Task Force on Climate-Related Financial Disclosures ("**TCFD**") and independent assurance statements verifying key environmental data, greenhouse gas emissions and other key performance indicators.

PrairieSky has been recognized as a top-rated company within our industry by Sustainalytics ESG Risk Ratings, being awarded the ESG Industry and Regional Top-Rated Badges awarded to top ranked companies among Global Oil and Gas Producers and in the U.S. and Canada, respectively. Company specific information and ratings by Sustainalytics Company, including information regarding PrairieSky, are available at [www.sustainalytics.com](http://www.sustainalytics.com). PrairieSky also achieved a "AAA" rating from MSCI ESG ratings, denoting companies leading the industry in managing the most significant ESG risks and opportunities. PrairieSky achieved a score of 66 out of 100 on the S&P Global Corporate Sustainability Assessment and has once again been included in the Sustainability Yearbook 2025 for corporate sustainability excellence. In addition, PrairieSky is now a constituent of the Dow Jones Best-in-Class World Index.

PrairieSky completed the 2024 CDP Corporate Questionnaire and was awarded a "B" rating in the 2024 climate change category and "B" in the 2024 water security category, an increase from "B-" in the prior year. A detailed and independent methodology is used by CDP, a recognized global leader in environmental reporting. A "B" rating indicates that the Company has addressed the environmental impacts of its business and ensures good environmental management. For further information, please refer to the [CDP](http://www.cdp.com) website.

In addition, PrairieSky has adopted numerous policies relating to its business conduct and corporate governance, including its Business Code of Conduct, Board Diversity Policy, Board Renewal Policy, Shareholder Engagement Policy, Investigations Practice Policy, Disclosure Policy, Securities Trading and Insider Reporting Policy, Restricted Securities Trading Policy, Human Rights Policy, Respectful Workplace Policy, Environment, Climate Change, Health and Safety Policy, Supplier Code of Conduct and a Community Investment Program. Additional information relating to these and other policies and PrairieSky initiatives can be found on PrairieSky's website under *Corporate Governance Policies and Related Documents* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance) and at [www.prairiesky.com/responsibility/our-approach](http://www.prairiesky.com/responsibility/our-approach).



## LOBBYING AND INDUSTRY PARTICIPATION

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The Business Code of Conduct sets out our approach to lobbying in circumstances where PrairieSky may have contact with elected officials and certain civil servants of the federal, provincial or municipal governments for the purposes of developing or amending laws, regulations, policies or guidelines, or to obtain a financial benefit, such as a grant or contribution. Where such contact occurs, the Business Code of Conduct requires that appropriate processes and controls be put in place to ensure that these contacts comply with applicable rules, regulations and internal requirements. The Company may, from time to time, participate in public policy discussions on a wide range of issues relevant to its business, including through its participation in and support of industry organizations. All PrairieSky lobbying activities with public office holders are planned, coordinated, recorded and must be conducted by senior management of the Company. In 2024, PrairieSky did not conduct any direct lobbying activities.

In no circumstances shall any employee, officer or director use or associate their position with the Company with any personal political activity or donation or in any circumstances in which any such association could be reasonably inferred.

PrairieSky is committed to disclosing expenditures made in connection with lobbying and/or political activities on an annual basis. In 2024, PrairieSky made no political contributions. PrairieSky incurred expenditures of \$85,000 to participate in industry groups which provided industry updates and access to educational resources. The Company's past or future participation in any industry association does not signify comprehensive support for any positions undertaken by it.

## RISK MANAGEMENT

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The Company's enterprise risk management program ("**ERM Program**") ensures that the key objectives and strategy for the success of PrairieSky are a focus for the Board and management and are being actively measured and managed. The risk management framework of the Company is a multi-faceted process involving management, the Audit Committee, the GC Committee and the Board, where the ERM Program provides a common risk management framework to identify, assess, monitor and mitigate key business risks.

The ERM Program provides a detailed identification, assessment and reporting of risks to PrairieSky's business, and a related risk analysis to address risk, which is monitored and overseen by the Board. Also included in the ERM Program are the roles of management and the Board relating to risk. The Board is responsible for strategic aspects and the enforcement of an appropriate risk culture throughout the organization, including through the GC Committee relating to compensation aspects and through the Audit Committee as it relates to financial matters and cyber risk. The Board is charged with the supervision of the risk analysis and senior management conducts a periodic (at least annual) detailed analysis of risks, recommends mitigation plans, where appropriate, and is responsible for the implementation and review of the effectiveness of such mitigation plans.

Detailed information with respect to the material risks applicable to PrairieSky, including principal risks and climate change risks, are included in the "*Risk Factors*" section of the AIF filed on our SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com) and available on PrairieSky's website at [www.prairiesky.com](http://www.prairiesky.com).

## INFORMATION TECHNOLOGY, ARTIFICIAL INTELLIGENCE, SYSTEMS SECURITY AND CYBER RISK

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The Audit Committee, along with management, is responsible for the risk oversight of PrairieSky's information technology, systems security and the Company's overall IT strategy to address and mitigate cybersecurity threats. PrairieSky's cybersecurity controls are evaluated through periodic engagement of independent third parties to assess risk, test controls and measure the progress and maturing of our program against industry benchmarks. PrairieSky's program includes ongoing cybersecurity education and quarterly awareness training for all employees. PrairieSky has not experienced a cyber or information security breach in its history but recognizes that there is an ever-present threat. We continually work to improve our security posture and remain diligent. PrairieSky has a cyber-incident response plan and in 2024 held a table-top exercise with an external party to walk through a cyber incident response scenario. PrairieSky has cyber liability insurance in place and works together with insurers and third parties, such as external legal counsel, to update our policies and procedures. In addition, as artificial intelligence (AI) begins to have a transformative effect across our industry, the Board, along with management, has been assessing the benefits and risks of AI deployment in the workplace. The Board is responsible for



ensuring that a system is in place to identify the principal risks to the Company and that the best practical procedures are implemented to monitor, manage and mitigate such risks. This would include the need to adopt policies and procedures that would be applicable to PrairieSky's use of AI systems to mitigate the identified risks. The assessment of AI adoption by the Company remains ongoing as of the date of this information circular and proxy statement.

## SHAREHOLDER ENGAGEMENT

PrairieSky recognizes the importance of meaningful and consistent engagement with shareholders. The Company has adopted policies and programs that ensure we understand and, when appropriate, address shareholder concerns. The Company has a comprehensive program designed to engage with shareholders which we believe aligns with best practice policies for director and shareholder engagement on governance matters.

Event	Who engages	Who the Company engages with, when and what is discussed
Non-deal roadshows, meetings, calls and discussion	Senior Management; Board Chair	With institutional investors throughout the year to provide public information on our business, operations, capital allocation and sustainability initiatives and, from time to time, involving our Board Chair to engage in dialogue on our governance processes, initiatives and executive compensation.
Quarterly conference call	Senior Management	With the investment and analyst community to review our most recently released financial and operating results.
News releases	Senior Management	Released to the media throughout the year to report on any material changes with respect to the Company.
Broker and industry sponsored conferences	Senior Management	Speaking at industry investor conferences about public information on our business and financial results, as well as corporate strategy and sustainability.
Investor Day	Senior Management; Directors	Investors and analysts are invited to attend a presentation in May every two years in conjunction with the release of our Royalty Playbook which is available at <a href="http://www.prairiesky.com/investors">www.prairiesky.com/investors</a> . A live webcast and presentations are made available on our website. Board members are in attendance and available to meet with participants.
Meetings, calls and discussions	Senior Management	With portfolio managers, investment professionals and engagement with retail shareholders to address any shareholder-related questions and/or concerns and to provide public information on the Company.
Periodic meetings	Senior Management; Directors	With shareholder advocacy groups, such as the Canadian Coalition for Good Governance, Glass Lewis & Co., Institutional Shareholder Services Inc. and certain interested shareholders to discuss governance practices.
Regular meetings	Senior Management	With institutional investors and advisory groups regarding corporate, environmental and social responsibility matters, including in relation to the Company's initiatives, continuous improvement programs and annual corporate and social Sustainability Report which is available on our website at <a href="http://www.prairiesky.com/responsibility/our-approach">www.prairiesky.com/responsibility/our-approach</a> .

The Shareholder Engagement Policy is available under *Corporate Governance Policies and Related Documents* on the Company's website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance). The Company also posts frequently asked questions on our website at [www.prairiesky.com/investors](http://www.prairiesky.com/investors).



## COMMUNICATING WITH US

The Company has established a number of ways to receive feedback from interested parties, all of which are listed at [www.prairiesky.com/contact](http://www.prairiesky.com/contact), and include the following:

Telephone: (587) 293-4000  
Email: [investor.relations@prairiesky.com](mailto:investor.relations@prairiesky.com)  
Address: Suite 1700, 350 – 7th Ave SW  
Calgary, AB T2P 3N9

For complaints and/or concerns, including but not limited to concerns with respect to our accounting, internal accounting controls or auditing matters, interested parties should refer to the contact information provided under *Whistleblower Hotline* at [www.prairiesky.confidenceline.net](http://www.prairiesky.confidenceline.net).

## COMMUNICATING WITH THE BOARD AND SENIOR MANAGEMENT

Shareholders, employees and others can contact the Board directly by:

- Writing to the Chair of the Board at:  
*PrairieSky Royalty Ltd., Suite 1700, 350 – 7th Ave SW, Calgary, AB T2P 3N9, Attention: Chair of the Board*
- Telephone at (587) 293-4000
- Email to [chair@prairiesky.com](mailto:chair@prairiesky.com)

Shareholders, employees and others can contact senior management directly by:

- Writing to the CEO or CFO at  
*PrairieSky Royalty Ltd., Suite 1700, 350 – 7th Ave SW, Calgary, AB T2P 3N9*
- Telephone at (587) 293-4000
- Email to the CEO or CFO at [investor.relations@prairiesky.com](mailto:investor.relations@prairiesky.com)

## ADVISORY VOTE ON EXECUTIVE COMPENSATION ("SAY ON PAY")

Shareholders will be asked again this year to consider and approve an advisory resolution on our approach to executive compensation. See "*Matters to be Acted Upon at the Meeting – Advisory Vote on Executive Compensation*" on page 11.

The GC Committee and the Board will continue to review and analyze the results of the advisory vote on our approach to executive compensation and consider all shareholder feedback related to executive compensation matters. To facilitate questions and comments from shareholders, you can communicate with the GC Committee directly by writing to them at our head office address above or calling them at the number provided for communicating with the Board.

In order to ensure we receive meaningful feedback on executive compensation, we invite shareholders to write directly to the Chair of the Board, at the head office address noted above.

## MATERIAL INTERESTS

The Company is engaged in the oil and natural gas royalty business. In general, the private investment activities of directors are not prohibited; however, should an existing investment pose a potential conflict of interest, the potential conflict is required to be disclosed to the CEO and CFO, who will in turn make necessary disclosures to the Board. Officers are required to provide the same information to the Corporate Secretary, who will in turn make necessary disclosures to the Board.

It is acknowledged that directors of the Company may be directors or officers of other entities engaged in the oil and natural gas business, and that such entities may compete directly or indirectly with the Company. Any director of the Company who is a director or officer of any entity engaged in the oil and natural gas business is required to disclose such occurrence to the Board. Any director or officer of the Company who is actively engaged in the management of, or who owns: (i) an investment



of 1% or more of the outstanding voting shares; or (ii) an investment that represents greater than 5% of his or her personal net worth, in public or private entities engaged in the oil and natural gas business, is required to disclose such holdings to the Board. In the event that any circumstance should arise as a result of such positions or investments being held or otherwise which in the opinion of the Board constitutes a conflict of interest which may reasonably affect such person's ability to act with a view to the best interests of the Company, the Board will take such actions as are reasonably required to resolve such matters with a view to the best interests of the Company. Such actions, without limitation, may include excluding such directors from certain information or activities of the Company.

## ANTI-HEDGING POLICY AND OTHER RESTRICTIONS ON TRADING ACTIVITIES

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The Company has adopted a Securities Trading and Insider Reporting Policy which, among other things, provides that executive officers and directors cannot participate in speculative activity related to the Company's securities to artificially protect themselves against declines in share price. The Securities Trading and Insider Reporting Policy provides that executive officers and directors are prohibited, at any time, from: (i) entering into a sale of the Company's securities that they do not own or have a right to own (a speculative practice, called "selling short", which is done in the belief that the price of a stock is going to fall and the seller will then be able to cover the sale by buying the stock back at a lower price); and (ii) selling a "call option" or buying a "put option" in respect of any of the Company's securities (as such persons could profit from the Company's share price falling). Executive officers and directors are also prohibited from participating in or entering into any equity monetization transactions involving any of the Company's securities that are part of the Company's long-term incentive programs which have not vested or the Common Shares that constitute part or all of the Company's requirements under the Company's minimum share ownership guidelines.

In addition to the Securities Trading and Insider Reporting Policy and given the unique nature of the Company's business, the Board has adopted the Restricted Securities Trading Policy to assist management and the Board in identifying potential conflicts of interest and ensuring adherence to good governance practices and applicable securities laws with respect to trading in securities of the Company and oil and natural gas companies in Western Canada, many of whom may be engaged in business with the Company from time to time. Pursuant to the Restricted Securities Trading Policy, the Company's legal department and Corporate Secretary of the Company maintain a restricted list of companies who are engaged in active business negotiations with the Company and for whom the Company may have material information from time to time (such as well results) which is not generally available to the public. All employees, contractors and consultants of the Company are required to contact the CFO prior to trading in any securities of an issuer who is engaged in the oil and natural gas or natural resources business in Western Canada (including the Company), to determine, prior to such trade, whether the issuer is on the restricted list. Directors and officers are required to consult with the CEO and notify the Corporate Secretary and Board Chair prior to trading in such securities. If the issuer is on the restricted list, such individuals shall not trade, directly or indirectly, securities of the issuer. Violations of the Restricted Securities Trading Policy may result in disciplinary action up to and including termination of employment or contract, as applicable. The Company may refer violations of the Restricted Securities Trading Policy or relevant laws to the appropriate regulatory authorities. Actions that violate or appear to violate the Restricted Securities Trading Policy must be reported in accordance with the Company's Investigations Practice Policy.

See also "*Compensation Discussion and Analysis – Compensation Governance – Short Selling Restrictions*".

## NOMINATION AND ELECTION OF DIRECTORS

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The GC Committee is responsible for recommending suitable candidates for nomination for election as directors of the Company in accordance with the terms of its mandate. The shareholders are entitled to elect directors of the Company.

The Board and GC Committee regularly discuss and evaluate the experience, qualification and skills of our directors with a view to ensuring the appropriate skill and experience profile is represented at the Board and committee level. See "*Statement of Corporate Governance Practices – Director Skills and Experience*". Some of the key competencies that the Company believes directors should have are: corporate executive experience, oil and natural gas operational experience, oil and natural gas contracts and land experience, financial acumen and expertise, capital markets experience, sustainability experience or an appetite to learn and expand their skillset in this area and knowledge in the areas of compensation, governance and health, safety and environment. Character and behavioral qualities including credibility, integrity, professionalism and communication skills are also important attributes taken into account when recruiting new directors. In conjunction with this



exercise, the Board keeps an "evergreen" list of potential candidates for consideration as future Board members and regularly discusses the same. The Chair of the Board and CEO from time to time arrange meetings with such candidates to determine interest and availability with a view to making recommendations to the Board if and when appropriate. When necessary, the GC Committee may engage the services of a search firm to assist them in the identification of director candidates with the necessary skills or experience the Board requires.

## MAJORITY VOTING POLICY

The Board has adopted the majority voting policy, which provides that if a nominee for election as a director receives a greater number of votes "withheld" than votes "for" at an uncontested meeting of the shareholders, such nominee shall offer his or her resignation as a director to the Board promptly following the meeting of shareholders at which the director was elected. Upon receiving such offer of resignation, the GC Committee will consider such offer and make a recommendation to the Board whether to accept the resignation or not. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any GC Committee or Board deliberations on the resignation offer. It is anticipated that the Board will make its decision to accept or reject the resignation within 90 days.

## ADVANCE NOTICE NOMINATIONS

The Company's by-laws include "advance notice provisions" designed to: (i) facilitate an orderly and efficient annual meeting of shareholders or, where the need arises, special meeting of shareholders, process; (ii) ensure that all shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide shareholders, directors and management of the Company with a clear framework for nominating directors. In particular, these provisions of the by-laws fix a deadline (being not less than 30 days before the date of an annual meeting of shareholders and, in the case of a special meeting, the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting of shareholders was made) by which shareholders of record must submit director nominations to the Company prior to any annual or special meeting of shareholders, and also set forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders. The Company's by-laws are available on SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com) and the Company's website at [www.prairiesky.com](http://www.prairiesky.com) and were confirmed by the Company's shareholders on April 11, 2014.

## SUCCESSION PLANNING

The GC Committee is accountable for reviewing management's ongoing succession, leadership and talent strategy programs and plans. Management, on a regular basis, provides the Chair of the GC Committee and Board Chair with a detailed succession plan for each significant position and identifies possible succession gaps in the current staff. Further, the GC Committee, CEO and CFO conduct a detailed review of current employees who are potential successors for all senior positions, with a focus on senior management roles. The review includes an assessment of each individual's strengths and development requirements, an estimate as to when such individuals may be prepared to accept such a role change and any current plans for such individual's career and educational development. The potential for the Company to recruit an external candidate as CEO is also regularly discussed and is considered a viable option that does not require implementation at this stage. The succession and leadership plans are reviewed regularly with the Chair of the GC Committee. All meetings of the GC Committee and meetings of the Board in 2024 included in camera sessions, with and without the CEO, at which human resource issues and succession were periodically discussed. In the event of an emergency, the Board and GC Committee have temporary succession plans that can be implemented. The Company is confident that appropriate succession strategies are being implemented to ensure the Company's business will continue to be strongly managed in the future.



## SHARE OWNERSHIP GUIDELINES

The Company has adopted share ownership guidelines to encourage alignment with the interests of shareholders by requiring its directors and management to build and hold equity in the Company in accordance with prescribed guidelines.

Independent directors are required to accumulate and hold, within three years of his or her appointment, Common Shares representing three times his or her annual total compensation, including any DSUs granted to such directors. Up to 75% of such target Common Share ownership can be represented by DSUs. Officers of the Company are required, within three years of their appointment, to accumulate a multiple of their annual salary in the form of Common Shares, as follows: CEO (five times); CFO and Vice-President, Business Development and Chief Commercial Officer of the Company ("**CCO**") (four times) and Vice President, Geosciences and Capital Markets of the Company (two times). No share-based compensation (RSUs, as defined herein, PSUs and ODSUs) are counted towards achieving such targets.

The valuation of DSUs and Common Shares is determined on an annual basis as the greater of the fair market value at: (i) the date of grant or purchase, as the case may be; and (ii) the closing trading price of the Common Shares on the TSX on December 31 or last day on which the Common Shares traded on such exchange prior to December 31. The value of holdings reflected in each of the tables below is based on the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03.

## DIRECTOR OWNERSHIP

Director Name	Equity Ownership Guideline		Shareholdings					Guideline Met or Investment Required to Meet Guideline <sup>(2)</sup>
	Multiple of Annual Compensation Retainer	Amount of Annual Compensation Retainer (\$)	Common Shares <sup>(1)</sup> (#)	DSUs <sup>(1)</sup> (#)	Total Common Shares and DSUs (#)	Holdings as a Multiple of Retainer	Value of Holdings (\$)	
Margaret A. McKenzie	3x	300,000	306,720	58,679	365,399	34.1x	10,242,100	Guideline Met
Anna M. Alderson <sup>(3)</sup>	3x	175,000	11,210	5,032	16,242	2.6x	455,300	Guideline Met in 2025 <sup>(3)</sup>
Anuroop S. Duggal	3x	160,000	10,000	12,156	22,156	3.9x	621,000	Guideline Met
P. Jane Gavan	3x	170,000	9,700	57,783	67,483	11.1x	1,891,500	Guideline Met
Glenn McNamara	3x	160,000	12,800	7,294	20,094	3.5x	563,200	Guideline Met
Sheldon B. Steeves	3x	170,000	28,000	62,105	90,105	14.9x	2,525,600	Guideline Met

### Notes:

- (1) Common Shares and DSUs held at December 31, 2024 unless otherwise noted. DSUs do not include dividend equivalents. All DSUs vest entirely on the date of grant.
- (2) Directors have three years from their appointment to meet the target Common Share ownership.
- (3) Ms. Alderson was appointed to the Board on October 23, 2023 and, as such, has until October 23, 2026 to meet the target Common Share ownership. At February 28, 2025, Ms. Alderson held 12,700 Common Shares with a market value of \$337,800 and 8,600 DSUs with a market value of \$228,800 and a multiple of retainer of 3.2x. Market value at February 28, 2025 is based on the closing price of the Common Shares on the TSX of \$26.60.



## EXECUTIVE OWNERSHIP

Management Name	Equity Ownership Guideline		Shareholdings			Guideline Met or Investment Required to Meet Guideline
	Multiple of Annual Salary	Amount of Annual Salary (\$)	Common Shares (#)	Holdings as a Multiple of Annual Salary	Value of Holdings (\$)	
Andrew M. Phillips, <i>President &amp; CEO</i>	5x	600,000	962,981	45.0x	26,992,400	Guideline Met
Pamela P. Kazeil, <i>Senior VP, Finance &amp; CFO</i>	4x	425,000	124,106	8.2x	3,478,700	Guideline Met
Daniel J. Bertram <i>VP, Business Development &amp; CCO</i> <sup>(1)</sup>	4x	410,000	44,823	3.1x	1,256,400	Investment in Progress <sup>(1)</sup>
Michael T. Murphy <i>VP, Geosciences &amp; Capital Markets</i> <sup>(2)</sup>	2x	280,000	4,746	0.5x	133,000	Investment in Progress <sup>(2)</sup>

Notes:

- Mr. Bertram was appointed Vice-President, Business Development and CCO on October 10, 2023 and will have until October 10, 2026 to meet the target Common Share ownership. At February 28, 2025, Mr. Bertram held 59,823 Common Shares with a market value of \$1,591,300 and a multiple of retainer of 3.9x. Market value at February 28, 2025 is based on the closing price of the Common Shares on the TSX of \$26.60.
- Mr. Murphy was appointed Vice-President Geosciences and Capital Markets on January 29, 2024. Mr. Murphy's ownership requirement is 2x his annual salary of \$280,000 and he will have until January 29, 2027 to meet his ownership requirements.

## OTHER OWNERSHIP GUIDELINES (STAFF)

The Company has also adopted share ownership guidelines for managers and certain other personnel to encourage alignment with the interests of shareholders. Certain non-executive personnel of the Company are required, within three years of their appointment, to accumulate a multiple of their annual salary in the form of Common Shares, as follows: Controller and General Counsel (1.5 times); Managers (1.0 times); and other select employees (1.0 times). No share-based compensation (RSUs or PSUs) are counted towards achieving such targets, and there are some restrictions on selling Common Shares, whether purchased through the Retirement Savings Plan (which is described below), in the open market, or received upon vesting or exercise of a RSU or PSU, as applicable, until such time as the target ownership is achieved. All full-time employees are shareholders of the Company.

## BOARD COMMITTEES

There are three committees of the Board, all of which are comprised entirely of independent directors. Board committees were reconstituted following the 2024 Annual General Meeting. The following table outlines the composition of the Board committees as at December 31, 2024.

Director <sup>(1)</sup>	Year Appointed	Independent	Committee Composition as at December 31, 2024		
			Audit <sup>(1)</sup>	Governance & Compensation	Reserves
<b>Independent Directors:</b>					
Margaret A. McKenzie <sup>(2)</sup>	2014	✓			
Anna M. Alderson	2023	✓	Chair		✓
Anuroop S. Duggal	2023	✓	✓	✓	
P. Jane Gavan	2019	✓		Chair	
Glenn A. McNamara	2023	✓		✓	✓
Sheldon B. Steeves	2014	✓	✓	✓	Chair
<b>Management Director:</b>					
Andrew M. Phillips <sup>(3)</sup>	2014				

Notes:

- The Board has determined that all members of the Audit Committee and the other four directors, being Ms. McKenzie, Ms. Gavan, Mr. McNamara and Mr. Phillips are "financially literate" within the meaning of that term under NI 52-110.



- (2) As Chair of the Board, Ms. McKenzie is an Ex-Officio member of all committees. Ms. McKenzie attended all committee meetings in 2024.
- (3) Mr. Phillips is the President and CEO of the Company and therefore is not independent.

## AUDIT COMMITTEE

The Audit Committee is currently comprised of Anna M. Alderson, as Chair, Anuroop S. Duggal and Sheldon B. Steeves, all of whom are independent and financially literate within the meaning of such terms under NI 52-110. Ms. Alderson is considered an "audit financial expert", as defined by Glass Lewis & Co. The specific responsibilities of the Audit Committee are set out in the Audit Committee Mandate, a copy of which is attached as Appendix "C" to the AIF and is available on the Company's website under *Board Committees* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance). The Audit Committee's primary role is to: (i) review management's identification of principal financial risks and monitor the process to manage such risks; (ii) oversee and monitor the Company's compliance with legal and regulatory requirements; (iii) oversee and monitor the integrity of the Company's accounting and financial reporting processes, financial statements and system of internal controls regarding accounting and financial reporting and accounting compliance; (iv) oversee audits of the Company's financial statements; (v) oversee and monitor the qualifications, independence and performance of the Company's external auditors; (vi) provide an avenue of communication among the external auditors, management, internal accounting and the Board; and (vii) report to the Board regularly.

The Audit Committee's role also involves the review of any related party transactions that occurred during the year between the Company and any officers or directors, including affiliations of any officers or directors as the Audit Committee considers appropriate, in accordance with applicable legislation to ensure that the terms and conditions of such transactions are at fair market value or at least as favourable as prevailing market terms and conditions, or fair value if fair market value references do not exist. In 2024, no related party transactions occurred other than compensation for key management personnel acting as officers and directors of the Company as described in note 20 of the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company.

The Company believes that each of the members of the Audit Committee possesses substantially all of the following: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting. For a summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee, see "*Directors and Executive Officers*" in the AIF and "*Information on the Nominated Directors*" in this information circular and proxy statement.

## GOVERNANCE AND COMPENSATION COMMITTEE

The GC Committee is currently comprised of P. Jane Gavan, as Chair, Anuroop S. Duggal, Glenn A. McNamara and Sheldon B. Steeves, all of whom are independent for the purposes of NI 58-101. The primary role of the GC Committee is to: (i) develop, implement and monitor governance standards and best practices; (ii) review the mandates of the Board and its committees; (iii) regularly assess the effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors; (iv) oversee the preparation of the annual "*Statement of Corporate Governance Practices*"; (v) identify and recommend individuals for nomination as members of the Board and its committees and for appointment as officers; and (vi) review and recommend to the Board all matters pertaining to the compensation of directors and management. The specific responsibilities of the GC Committee are set out in the Governance and Compensation Committee Mandate, a copy of which is available on the Company's website under *Board Committees* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

Each member of the GC Committee was selected for such committee due to their knowledge regarding compensation and succession planning, their focus on creating shareholder value through good corporate governance and their dedication to accountability, responsibility and fairness. For a summary of the education and experience of each member of the GC



Committee that is relevant to the performance of their responsibilities as a member of such committee, see "*Directors and Executive Officers*" in the AIF and "*Information on the Nominated Directors*" in this information circular and proxy statement.

## RESERVES COMMITTEE

The Reserves Committee is currently comprised of Sheldon B. Steeves, as Chair, Anna M. Alderson and Glenn A. McNamara, each of whom are independent for purposes of NI 51-101. The primary role of the Reserves Committee is to: (i) act in an advisory capacity to the Board; (ii) review the Company's procedures relating to disclosure of information with respect to oil, natural gas and natural gas liquids reserves and resources data; (iii) annually review the selection of the qualified reserves evaluators or auditors chosen to report to the Board on the Company's oil, natural gas and natural gas liquids reserves data; and (iv) review the Company's annual reserves estimates prior to public disclosure. The specific responsibilities of the Reserves Committee are set out in the Reserves Committee Mandate, a copy of which available on the Company's website under *Board Committees* at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

## BOARD AND COMMITTEE MEETINGS WITHOUT MANAGEMENT

The non-management directors meet without members of management present at every meeting of the Board and at every meeting of all committees of the Board. Each regularly scheduled Board and committee meeting's agenda includes an in camera session at each meeting. See "*Statement of Corporate Governance Practices – The Board*".

## ASSESSMENT OF DIRECTORS, THE BOARD AND BOARD COMMITTEES

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The members of the Board collectively assess the performance of the Board as a whole, the committees of the Board and all directors. Such assessment occurs annually with an emphasis on the overall effectiveness and contributions made by the Board as a whole, the committees of the Board and all directors individually. Such assessment process involves a confidential director questionnaire and discussions among the Chair of the Board, the Chairs of the committees and individual directors relating to overall Board assessment, individual committee assessments, Chair of the Board assessment, individual committee chair assessments, individual director self-assessments and peer assessments. The Chair of the Board meets with each individual director to discuss the above matters and any key items raised in the confidential director questionnaire. The Chair of the Board, with the assistance of the CFO, is responsible for drafting, collecting and assessing questionnaires, and facilitating discussions. The Chair of the Board reports on the results of this process to the Board. The GC Committee is also permitted to retain external advisors to assist with the assessment process. The assessment for 2024 was conducted in the first quarter of 2025.

## DIRECTOR SKILLS AND EXPERIENCE

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The Board and the GC Committee review the experience, qualifications and skills of our directors to ensure that the composition of the Board and committees and the competencies and skills of the members are in line with those that the GC Committee considers that the Board and respective committees should possess.

The Board identifies and evaluates the competencies and skills of the members based on the individual experience and background of each director. This exercise is performed both on an ad-hoc basis and at least annually based on self-assessment by each director whereby each director is asked to rate their experience and background in a variety of key subject areas. This data is compiled into a matrix representing the broad Board skills for current directors. This matrix is maintained to identify areas for strengthening the Board, if any, and address them through the recruitment of new members.

The following skills matrix outlines the experience and background of, but not necessarily the technical expertise of, the individual directors based on information provided by such individuals. The Board and the GC Committee are confident that the composition of the Board and the committees following the Meeting will reflect the competencies and skills that the Board and committees should possess.



Board of Directors Skills Matrix		Mckenzie	Alderson	Duggal	Gavan	McNamara	Phillips	Steeves	Total
<b>Enterprise Management</b>	Experience as a President or CEO leading an organization or major business line.				✓	✓	✓	✓	4
<b>Business Development</b>	Management or executive experience with responsibility for identifying value creation opportunities.	✓	✓	✓	✓	✓	✓	✓	7
<b>Financial Literacy<sup>(1)</sup></b>	The ability to read and understand financial statements with generally comparable accounting issues to those raised by the Company's financial statements.	✓	✓	✓	✓	✓	✓	✓	7
<b>Corporate Governance</b>	Understanding the requirements of good corporate governance usually gained through experience as a senior executive officer or a Board member of a public organization.	✓	✓	✓	✓	✓	✓	✓	7
<b>Change Management</b>	Experience leading a major organizational change or managing a significant merger.	✓	✓		✓	✓	✓	✓	6
<b>Operations</b>	Management or executive experience with oil and gas operations.	✓				✓	✓	✓	4
<b>Financial Expertise<sup>(1)</sup></b>	Formal qualifications and/or management or executive experience in financial accounting, internal controls and corporate finance.	✓	✓	✓	✓	✓	✓	✓	7
<b>Human Resources</b>	Management or executive experience with responsibility for human resources.	✓	✓		✓	✓	✓	✓	6
<b>Reserves Evaluation</b>	General experience with or executive responsibility for oil and gas reserves evaluation.	✓	✓	✓		✓	✓	✓	6
<b>Capital Allocation</b>	General experience with or executive responsibility for evaluating allocation of capital resources, including for business development activities, dividends, share repurchases and the capital markets and capital structure implications of the foregoing.	✓	✓	✓	✓	✓	✓	✓	7
<b>Risk Evaluation</b>	Management, executive or Board experience in evaluating and managing the variety of risks faced by an organization, including internal controls and enterprise risk management processes and measurement.	✓	✓	✓	✓	✓	✓	✓	7
<b>Compensation</b>	Management, executive or Board experience in establishing, managing and measuring executive compensation programs, including capital markets considerations and evolving proxy advisory firm considerations and engagements.	✓	✓	✓	✓	✓	✓	✓	7
<b>Environmental, Social and Governance Risk Management, Performance Evaluation and Management</b>	Management, executive or Board experience in evaluating and managing the variety of risks faced by an organization with respect to evolving environmental (emissions, air, water, climate) and corporate responsibility criteria, including capital markets considerations related thereto, and measuring performance of corporate objectives.	✓	✓	✓	✓	✓	✓	✓	7
<b>Cyber Risk</b>	Experience or knowledge of the risk related to cyber threats and overseeing management's preparedness.	✓	✓		✓	✓	✓	✓	6

Note:

(1) All PrairieSky directors are financially literate within the meaning of NI 52-110.

# COMPENSATION DISCUSSION AND ANALYSIS

## LETTER OF INTRODUCTION BOARD CHAIR AND GC COMMITTEE CHAIR

Dear Fellow Shareholders,

On behalf of the Board of Directors and the GC Committee, we are pleased to provide our Compensation Discussion and Analysis to you in the following pages of this information circular and proxy statement. Your feedback is important to us, as is your vote, and we hope that you attend the Meeting in person or by proxy.

We were pleased to receive 98.5% support on the Company's annual say on pay advisory vote at the annual meeting of shareholders of the Company held on April 22, 2024. Over the past 5 years, our say on pay has received average support of 95.0%, which demonstrates shareholder support of our compensation approach. We are committed to transparency and comprehensive disclosure of our compensation practices. We are also committed to a disciplined approach to executive compensation and our underlying compensation philosophy of "pay for performance".

### 2024 HIGHLIGHTS

#### Financial Results

- Record annual oil royalty production of 13,125 barrels per day, an increase of 6% over the prior year, drove funds from operations of \$380.5 million in 2024.
- Entered into 219 leases, the second highest number of leases on record, and earned \$30.8 million in bonus consideration.
- An estimated \$1.9 billion of third-party capital (\$93 million net capital) was spent drilling wells on PrairieSky's lands representing 7% of total industry capital.
- Completed acquisitions of incremental royalty interests of \$57.3 million and entered into a financing arrangement whereby PrairieSky provided a letter of credit to guarantee a third-party operator's credit facility. This arrangement will allow the operator to advance their Montney oil drilling program where PrairieSky has a royalty.
- Reduced net debt 39% over 2024 bringing net debt to \$134.9 million at December 31, 2024 and renegotiated the Company's credit facility.

#### Shareholder Returns

- Delivered a total shareholder return of 25% for 2024.
- PrairieSky increased its 2024 dividend by 4% to \$1.00 per Common Share from \$0.96 per Common Share.
- PrairieSky generated \$380.5 million of funds from operations in 2024 and distributed \$239.0 million in dividends to shareholders (payout ratio of 63%).

#### ESG

- Published 2023 Sustainability Report
- Participated in a number of third-party surveys including Sustainalytics, MSCI and S&P CSA where PrairieSky is ranked as a top-rated ESG performer and was added as a constituent of the Dow Jones Best-in-Class World Index.
- Continued ESG and alternative energy initiatives, including receiving our first helium royalty revenues and our continued participation in the carbon capture, utilization and storage project being designed to provide permanent CO2 sequestration in which the Company is a minority joint venture partner (the "Meadowbrook Project"). On July 30, 2024, the Meadowbrook Project operator entered into a Carbon Sequestration Agreement with Alberta's Minister of Energy and Minerals.

## GC Committee Key Initiatives

- Succession planning and talent management are key priorities for the GC Committee. During 2024, the GC Committee reviewed the management succession plan, identifying key talent and succession candidates.
- The GC Committee reviewed and updated all of the Company's corporate governance policies in 2024, including updates to meet regulatory reporting under the Modern Slavery Act.
- Annually, the GC Committee reviews total compensation components and how management is evaluated within our pay for performance philosophy.
- The GC Committee and management designed updated short-term and long-term incentive corporate performance scorecards for 2025 with the goal of creating further clarity and focus on deliverables and guiding conversations amongst the Board, management and employees throughout the year.

## 2024 COMPENSATION

In making compensation decisions, the GC Committee process considers the following key principles: alignment with shareholders, pay for performance, market competitive pay to attract and retain talent, good governance and risk management.

Annually, executive pay and incentive levels are benchmarked against the approved executive compensation peer group. This approach is aligned with market compensation practices and ensures we offer competitive pay packages for executives that both incentivize and retain our executives and are aligned with our pay for performance compensation philosophy.

**Compensation Peer Group:** For 2024, the GC Committee reviewed the compensation peer group and determined to remove the real estate investment trusts (REITs) and add certain oil and gas and royalty companies which the GC Committee deemed to be more closely impacted by the same macro-economic factors and competition for capital as PrairieSky. The GC Committee consulted with its compensation advisor, Hugessen Consulting Inc. ("Hugessen"), on changes to provide a market lens.

### 2024 COMPENSATION DECISIONS

**Base Salary:** For 2024, the CEO's salary remained flat with 2023. The CFO received a salary increase of 3.7% to reflect the increase in her responsibility. The CCO joined the Company in October 2023 and his salary remained flat into 2024. The Vice President, Geosciences and Capital Markets joined PrairieSky in 2024. In setting executive salaries, the Committee reviewed market comparatives in consultation with Hugessen.

**Short-Term Incentive Plan (STIP):** PrairieSky's corporate performance for 2024 was evaluated by the GC Committee based on certain corporate objectives. For 2024, the Board approved a STIP score of 1.75 out of a possible 2.0 which reflected outperformance by the Company and management.

**Long-Term Incentives:** For 2024, the Board approved target grants for NEOs allocated 75% to PSUs and 25% to ODSUs. Target grants were set to align with the market and to provide compensation aligned with corporate results and shareholders. The PSU multiplier is determined based 50% on relative total shareholder return ("rTSR") and 50% on the execution of the strategy and business plan.

### VESTING OF 2022 PSU GRANT (THREE-YEAR PERFORMANCE PERIOD JANUARY 1, 2022 - DECEMBER 31, 2024)

The CEO and CFO's 2022 grant of PSUs vested on January 15, 2025. A performance multiplier of 1.8167x was applied to the vesting. The performance multiplier was based 50% on rTSR performance over the three-year period from January 1, 2022 to December 31, 2024 and 50% on the execution of the strategy and business plan. The Company achieved a TSR of 124% and top decile rTSR performance against its performance peer group over the three-year period and achieved an evaluation of "outperform" on execution of the strategy and business plan objectives, all of which are discussed below.



## COMPENSATION CHANGES FOR 2025

For 2025, the GC Committee has made certain changes to executive compensation as follows:

Short-term incentives for NEOs other than the CEO will include an allocation of 25% based on personal performance and 75% on corporate performance. Personal performance will be evaluated based on objectives set with the CEO at the beginning of the year. Mr. Phillips performance will continue to be evaluated 100% based on corporate performance.

Long-term incentive grants will be allocated 65% to PSUs and 35% to ODSUs. The GC Committee, Board and management are committed to aligning compensation with PrairieSky's long-term results and strategy. The GC Committee believes the incremental allocation to ODSUs, which do not become payable until the executive leaves the Company, is aligned with this philosophy.

On behalf of our full Board, we encourage you to take some time to read this compensation discussion and analysis and invite you to vote on our approach to executive compensation at this year's annual meeting of shareholders. As always, we welcome your feedback, comments and questions at [chair@prairiesky.com](mailto:chair@prairiesky.com).

We hope you find the above information useful and look forward to engaging with you at the Meeting and throughout the upcoming year.

*/s/ "P. Jane Gavan"*

**P. Jane Gavan**  
/ Chair of the Governance and Compensation Committee

*/s/ "Margaret A. McKenzie"*

**Margaret A. McKenzie**  
/ Chair of the Board of Directors



# COMPENSATION GOVERNANCE

## COMPOSITION AND ROLE OF THE GC COMMITTEE

The GC Committee is responsible for, among other things, overseeing compensation across the organization with a particular focus on the executive officers of the Company which for 2024 included the CEO, CFO, CCO, and Vice President, Geosciences and Capital Markets. This important function includes assessing salaries, annual short-term incentive awards (bonus), long-term incentive awards, and measuring performance. The GC Committee is currently comprised of P. Jane Gavan (Chair), Anuroop S. Duggal, Glenn A. McNamara and Sheldon B. Steeves.

## COMPENSATION GOVERNANCE PRACTICES

✓ <b>What We Do</b>	X <b>What We Don't Do</b>
<p>✓ <b>Pay for Performance</b></p> <ul style="list-style-type: none"> <li>Design a compensation package that rewards performance based on the achievement of performance goals and objectives and to be competitive with comparable companies in the market in which the Company competes for talent.</li> <li>Executive compensation is mostly variable and not guaranteed.</li> <li>Executive compensation is aligned with both individual and Company performance over the short-, medium- and long-term.</li> <li>A significant portion of executive compensation is long-term and linked to individual and Company performance at the time of grant and vesting.</li> <li>Payouts will be reduced (including down to 0) when performance is significantly below expectations.</li> </ul> <p>✓ <b>Strong and Effective Compensation Governance</b></p> <ul style="list-style-type: none"> <li>Our Board has discretion to adjust incentive awards and payouts based on performance and risk appetite.</li> <li>We cap payouts from our incentive plans.</li> <li>We have a qualified, experienced and independent GC Committee that uses an independent advisor.</li> <li>Shareholders have a "say on pay" and we engage in discussion with stakeholders.</li> </ul> <p>✓ <b>Clawback</b></p> <ul style="list-style-type: none"> <li>We may claw back or require forfeiture of awards in situations of fraud, misconduct, inappropriate risk-taking or material misstatement of our financial results (see Clawback Policy – Recoupment of Incentive Compensation below).</li> </ul> <p>✓ <b>Double-Trigger Change of Control Provisions</b></p> <ul style="list-style-type: none"> <li>We have double-trigger change-of-control provisions in our equity plans, requiring both a change of control and termination before equity vesting or other benefits apply.</li> </ul> <p>✓ <b>Stock Ownership Guidelines</b></p> <ul style="list-style-type: none"> <li>All NEOs and directors are subject to share ownership guidelines with conditional holding requirements.</li> </ul> <p>✓ <b>Environmental, Social and Governance</b></p> <ul style="list-style-type: none"> <li>We include ESG metrics as part of performance metrics in our annual incentive plan and long-term incentive plan.</li> <li>Other ESG-related objectives form part of the strategic deliverables of our CEO and other NEOs and are considered when individual compensation decisions are made.</li> </ul>	<p>X <b>No Hedging nor Assignment</b></p> <ul style="list-style-type: none"> <li>Executives are not permitted to use hedging to undermine the risk alignment in our compensation plans.</li> <li>Executives are not allowed to assign, pledge, or transfer their equity-based awards.</li> </ul> <p>X <b>No Guarantees</b></p> <ul style="list-style-type: none"> <li>We do not have employment agreements with multi-year guarantees.</li> <li>We do not guarantee a minimum level of vesting in our Incentive Plans (as defined herein).</li> </ul> <p>X <b>No Repricing, Back-dating or Cancellation of Options</b></p> <ul style="list-style-type: none"> <li>PrairieSky suspended the grant of Options (as defined herein) in 2021. Shareholders would be required to approve unallocated Options under the Option Plan (as defined herein) prior to any grants being made under the plan.</li> </ul> <p>X <b>No Tax Gross-Ups</b></p> <ul style="list-style-type: none"> <li>We do not provide gross-ups on benefits or perquisites.</li> </ul>

## SHORT SELLING RESTRICTIONS

The Company's directors and officers are prohibited from knowingly selling, directly or indirectly, any of the Company's securities if such person selling such security does not own or has not fully paid for the security to be sold. Directors and officers are also not permitted to buy or sell a call or put in respect of any of the Company's securities. Notwithstanding these prohibitions, directors and officers may sell a Common Share which they do not own if they own another security convertible into Common Shares or an option or right to acquire Common Shares sold and, within 10 days after the sale, the director or officer: (i) exercises the conversion privilege, option or right and delivers the Common Share so associated to the purchaser;



or (ii) transfers the convertible security, option or right, if transferable to the purchaser. See also "Statement of Corporate Governance Practices – Anti-Hedging Policy and Other Restrictions on Trading Activities".

## CLAWBACK POLICY (RECOUPMENT OF INCENTIVE COMPENSATION)

The Company has adopted a policy regarding recoupment of any incentive payment (including cash payments, ODSUs granted under the ODSU Plan, Options granted under the Option Plan or share unit awards granted under the amended and restated share unit incentive plan (the "**Original Incentive Plan**") and the 2021 share unit incentive plan (the "**2021 Incentive Plan**") and the Common Shares issuable on exercise or vesting thereof, as the case may be), to an executive officer where:

- the payment or grant was predicated upon achieving certain financial results that were subsequently the cause of a substantial restatement of the Company's financial statements;
- the Board determines the executive officer engaged in gross negligence, intentional misconduct or fraud that caused or substantially caused the need for substantial restatement of the Company's financial statements; and
- a lower incentive compensation payment or grant would have been made to the executive officer based upon the restated financial results.

In such circumstances, the Company will seek to recover from such executive officer, in the case of cash incentive payments, the amount by which that executive officer's incentive payments for the relevant period exceeded the lower payment that would have been made based on the restated financial results and in the case of equity incentive awards, the number of equity incentive awards by which the executive officer's grant for the relevant period exceeded the lower number of equity incentive awards that would have been granted based on the restated financial results. In addition, if an executive officer commits fraud, theft, embezzlement or serious misconduct, whether or not there is a substantial restatement of the Company's financial statements, the Board can, at its discretion, cancel some or all of the executive officer's vested or unvested incentive awards, and require repayment of all or a portion of the incentive awards that have already been paid.

## EXECUTIVE COMPENSATION-RELATED FEES

The GC Committee has the authority to retain and receive advice from compensation consultants to carry out its duties. The GC Committee has retained Hugessen since 2023 to provide advice in connection with executive compensation matters. In 2024, this advice included compensation benchmarking, incentive design support, and disclosure support.

In 2024, PrairieSky participated in and used the results of the Mercer Total Compensation Survey, administered by Mercer (Canada) Limited.

For the years ended December 31, 2024 and December 31, 2023, fees paid for the consulting services were as follows:

Fees Paid	2024	2023
Hugessen Consulting Inc. – Executive Compensation-Related Fees	\$84,300	\$47,700
Mercer (Canada) Limited – All Other Fees	\$8,600	\$nil



# EXECUTIVE COMPENSATION

## NAMED EXECUTIVE OFFICERS

The following discussion describes the Company's executive compensation program, with emphasis on the process for determining compensation payable to the following executives (collectively the "Named Executive Officers" or "NEOs"):

Incumbent	Position
Andrew M. Phillips	President and Chief Executive Officer
Pamela P. Kazeil	Senior Vice-President, Finance and Chief Financial Officer
Daniel J. Bertram	Vice-President, Business Development and Chief Commercial Officer
Michael T. Murphy	Vice-President, Geosciences and Capital Markets

## COMPENSATION PHILOSOPHY

### EXECUTIVE COMPENSATION PHILOSOPHY AND GUIDING PRINCIPLES

The Board recognizes that the Company's success depends greatly on its ability to attract, retain and motivate 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 consistent with shareholders' interests and the Company's incentive programs are therefore intended to encourage decisions and actions that will result in the creation of long-term shareholder value, while specifically not rewarding excessive risk-taking by management or employees.

### PAY FOR PERFORMANCE PHILOSOPHY

The foundation of PrairieSky's compensation program is "pay for performance", which rewards the executive for leadership and creation of long-term value for shareholders. The executive officers are fully aligned with shareholders through the compensation program, as well as their significant personal investments in Common Shares.

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

- To align management's interests with those of the shareholders;
- To reward both leadership and performance that creates long-term shareholder value;
- To attract and retain qualified management; and
- To have a compensation package that is competitive within the marketplace.

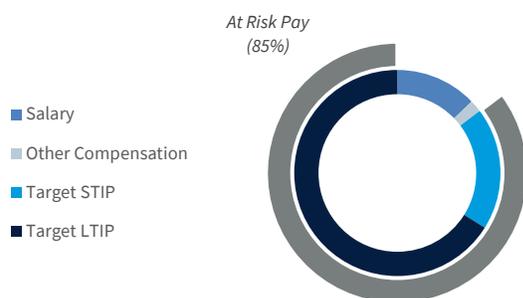
Through the GC Committee, the Board reviews the executive compensation program regularly as part of our commitment to continuous improvement and refines it as appropriate to align more closely with our strategic objectives, building shareholder value, mitigating risk, and improving competitiveness.

In determining the compensation to be paid to management, the GC Committee considers various items including corporate achievements, comparative market data and information supplied by management or external consultants with expertise on such matters.

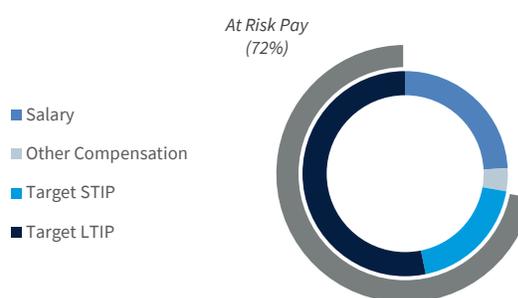


## NEO TOTAL COMPENSATION MIX

### CEO Target Compensation Mix



### Other NEO Target Compensation Mix



The majority of executive compensation at PrairieSky is performance based and "at risk". Compensation considered "at risk" includes cash short-term incentives (bonuses), RSUs, PSUs and ODSUs. Approximately 85% of the CEO's compensation and on average 72% of other NEO's compensation is "at risk".

## BENCHMARKING EXECUTIVE COMPENSATION

To benchmark the magnitude and mix of management's compensation arrangements, in forming the compensation market for the Company (the "**Compensation Market**"), the Board has considered the size, scope, stage of development and risk profile of the Company against a peer group of companies using the following parameters:

- companies in the oil and natural gas and mining industries with a royalty or dividend-focused business model;
- comparable market capitalization to the Company; and
- companies with producing properties and significant undeveloped acreage in the Western Canadian Sedimentary Basin.

Based on these parameters, the following is the peer group of companies used in determining the Compensation Market for 2024:

2024 Executive Compensation Performance Peer Group		
ARC Resources Ltd.	Royal Gold, Inc.	Veren Inc.
Franco-Nevada Corporation	Texas Pacific Land Corporation	Vermilion Energy Inc.
Freehold Royalties Ltd.	Topaz Energy Corp.	Wheaton Precious Metals Corp.
Labrador Iron Ore Royalty Corporation	Tourmaline Oil Corp.	Whitecap Resources Inc.
Osisko Gold Royalties Ltd		



## COMPONENTS OF COMPENSATION

The following components comprise the compensation package for the Named Executive Officers.

Component	Form	Description	Purpose	Performance Period	Pay at Risk Profile
<b>Direct Compensation</b>					
<b>Fixed Pay</b>	<b>Base Salary</b>	Cash Based on the median of the Compensation Market (see "Benchmarking Executive Compensation" above) Assessed annually, considering scope and responsibilities of the role and the compensation market Consideration is also given to internal factors including the strategy and growth plans of the Company and the objective to attract and retain highly talented individuals from industry	Attract and retain executives, and compensate for meeting the responsibilities of the role	1 Year	No Risk
<b>Variable Pay</b>	<b>Short Term Incentive Plan ("STIP")</b>	Cash Based on target percentage of base salary Awards are based on GC Committee and Board's assessment of performance against financial and operating performance targets	Motivate and reward NEOs for achieving and surpassing corporate and individual goals	1 Year	Moderate Risk
	<b>Long Term Incentive Plan ("LTIP")</b>	PSUs (75%) Based on target percentage of base salary Awards are based 50% on rTSR versus a pre-determined performance peer group and 50% on execution of Strategy and Business Plan Objectives	Pay for sustainable long-term performance Align the interests of executives and shareholders Focus executives on key performance objectives of PrairieSky	3 years	Moderate Risk
		ODSUs (25%) Based on target percentage of base salary	Pay for sustainable long-term performance Assist the Company in attracting and retaining individuals with experience and ability to act as officers and employees of the Company Align the interests of executives and shareholders	Vests over 3 years, paid out when executive leaves the Company (subject to the terms of the ODSU Plan)	Moderate Risk

<b>Indirect Compensation</b>					
<b>Retirement Savings Plan</b>	Group registered savings plan Group non-registered savings plan Tax-free savings account plan	The plan consists of a group registered savings plan, a group non-registered savings plan and a tax-free savings account plan in which the Company matches a percentage of a participant's contributions.  See "Compensation Discussion and Analysis – Compensation Tables – Retirement Savings Plan".	Provides a source of retirement income	Ongoing, with a 2-year restriction period	No Risk
<b>Other Compensation</b>	Annual allowance, parking, executive health care package, club membership	Allows for NEOs to receive certain perquisites	Ensures the Company's compensation package remains competitive with peers	Ongoing	No Risk

### BASE SALARY

Salaries are reviewed annually and compared to the Compensation Market through publicly available documents and the broader market through analysis of industry compensation surveys as prepared by external compensation consultants. Consideration is also given to internal factors including the strategy and growth plans of the Company and the objective to attract and retain highly talented individuals from industry.



The year-over-year changes to base salaries have been outlined in the table below:

Named Executive Officer & Position	2023 Annual Salary \$	2024 Annual Salary \$	% Change 2023 - 2024
Andrew M. Phillips President & CEO	600,000	600,000	0% increase
Pamela P. Kazeil Senior VP, Finance & CFO	410,000	425,000	3.7% increase
Daniel J. Bertram VP Business Development & CCO <sup>(1)</sup>	410,000	410,000	0% increase
Michael T. Murphy VP, Geosciences & Capital Markets <sup>(2)</sup>	n/a	280,000	n/a

Notes:

- (1) Mr. Bertram was appointed Vice-President, Business Development and CCO on October 10, 2023. Mr. Bertram's annual salary for 2023 of \$410,000 was prorated to \$93,000 based on his start date.
- (2) Mr. Murphy was appointed Vice-President, Geosciences and Capital Markets on January 24, 2024. Mr. Murphy's annual salary for 2024 of \$280,000 was prorated to \$260,000 based on his start date.

## STIP (ANNUAL BONUS)

The STIP or annual bonus is meant to compensate the executive officer for achieving and surpassing annual corporate performance goals. The GC Committee maintains discretion to adjust amounts based on additional factors, including share price performance and economic or industry conditions. During years when the executive officer has significantly outperformed, bonuses have been tempered due to challenging conditions in the oil and natural gas industry. In other years, the executive officers have been rewarded generously, consistent with the Company's pay for performance philosophy.

Annual bonuses are paid in cash and determined using the following formula:



Note:

- (1) The GC Committee has discretion to adjust an NEO bonus for individual performance.

## 2024 SHORT-TERM INCENTIVE PAYOUTS

The GC Committee evaluated 2024 corporate performance using a scorecard with 7 broad categories, each equally weighted, reflecting the relative importance of each as it relates to each NEO. The scorecard is provided below under "2024 STIP (Annual Bonus) Performance Relative to Corporate Scorecard Objectives". Each NEO's target bonus has a range of opportunity of 0.0 to 2.0x target and is based 100% on corporate performance with the GC Committee having discretion to adjust NEO short-term incentives based on individual performance within the bonus range of opportunity.

Named Executive Officer	2024 Annual Base Salary \$	STIP Target (% of Annual Base Salary)	Target Annual Bonus (Based on STIP Target %) \$	Actual STIP Corporate Score <sup>(1)</sup>	2024 Actual Bonus \$
Andrew M. Phillips	600,000	150%	900,000	175%	1,575,000
Pamela P. Kazeil <sup>(2)</sup>	425,000	100%	425,000	175%	815,000
Daniel J. Bertram	410,000	75%	307,500	175%	538,100
Michael T. Murphy <sup>(3)</sup>	280,000	50%	140,000	175%	245,000

Notes:

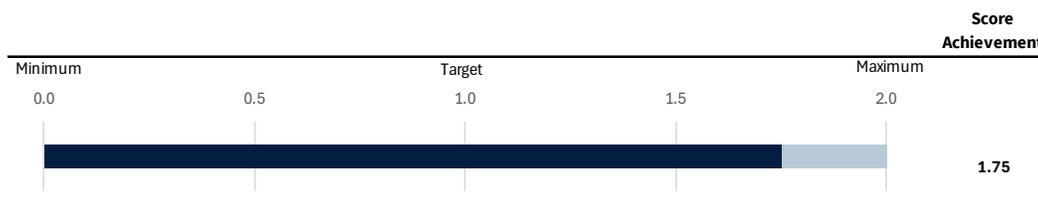
- (1) Actual STIP corporate score detailed below under "2024 STIP (Annual Bonus) Performance Relative to Corporate Scorecard Objectives".



- (2) Based on the recommendation of the CEO, the GC Committee awarded Ms. Kazeil an incremental bonus based on individual performance in 2024 above the corporate scorecard to bring her actual STIP score to 192% of target.
- (3) Mr. Murphy was appointed Vice-President, Geosciences and Capital Markets on January 24, 2024. Mr. Murphy's annual salary for 2024 of \$280,000 was not prorated for his start date in determining his annual bonus.

## 2024 STIP (ANNUAL BONUS) PERFORMANCE RELATIVE TO CORPORATE SCORECARD OBJECTIVES

The GC Committee evaluated corporate performance on a scale of 0.0-2.0x and awarded a short-term incentive score of 1.75x (175%) or "outperform".



The GC Committee considers both subjective and objective measures in evaluating the achievement of corporate objectives. When determining the 2024 short-term incentive score, the GC Committee evaluated the following equally weighted objectives, spanning 7 broad categories, as key measures of achievement:

2024 SHORT-TERM INCENTIVE (BONUS) SCORECARD	
<b>Growth and Development Strategy:</b> Assess management's execution of the growth and development strategy, including financial results, shareholder returns and capital allocation. The GC Committee considered objective financial measures relative to the approved 2024 budget.	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• Executed on PrairieSky's strategy of investing in royalties on low-cost oil plays, achieving record average oil royalty production of 13,125 barrels per day, a 6% increase over 2023, and generating funds from operations of \$380.5 million for the year, above the 2024 budget.</li> <li>• Provided a total shareholder return of 25%.</li> </ul>
<b>Asset Development, Integration and Optimization:</b> Assess management's execution of business development strategies, including identifying and evaluating acquisition opportunities as well as the optimization of existing royalty assets. The GC Committee considered the number, nature and value of transactions evaluated and executed, as well as the level of lease issuance bonus and new leasing/commitments/drilling generated by management's efforts.	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• PrairieSky entered into 219 leases with 101 different counterparties, the second highest number of annual leases on record, and earned \$30.8 million in lease bonus consideration.</li> <li>• Entered into a financing arrangement to provide a letter of credit to guarantee a third-party operator's credit facility to advance the operator's Montney drilling program where PrairieSky has a royalty.</li> <li>• Acquired incremental royalty interests for \$57.3 million targeting light and heavy oil plays in Central Alberta and Saskatchewan.</li> </ul>
<b>Cost Structure Optimization:</b> Assess management's development and execution of cost control strategies and optimization. The GC Committee considered the effectiveness of management's efforts to manage the Company's general and administrative expenses against budget and within a framework of executing the Company's other objectives, including but not limited to sustainability initiatives, asset development, growth and risk management.	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• PrairieSky has actively looked for opportunities to use technology to improve processes, including implementing new software in the finance and engineering teams which has improved efficiencies and helped to manage head count.</li> <li>• Cash G&amp;A per BOE of \$4.29 was in line with budget.</li> </ul>



<b>Royalty Compliance and Asset Integrity:</b> <i>Assess management's development and execution of audit and compliance initiatives, including integration of acquired royalty assets, to ensure royalty asset integrity. The GC Committee considered progress in auditing and collecting royalty revenue receipts, forensic accounting efforts, lease compliance efforts and acquired assets, if any, as well as continuous improvement projects to enhance the Company's technology and automation platform for records management and royalty compliance.</i>	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• Compliance initiatives resulted in royalty compliance audit recoveries of \$7.5 million.</li> <li>• Royalty and land compliance issues proactively resolved collecting on 2,134 issues and bringing back 197 sections of land into inventory (2023 - 79 and 2022 - 123).</li> <li>• Compliance initiatives resulted in 22 wells being drilled in 2024 (2023 - 16 wells and 2022 - 20 wells).</li> <li>• Developed new leases for helium and modernized general terms for leases to address unique issues and set industry standards.</li> </ul>
<b>Governance and Risk Management:</b> <i>Assess management's development and execution of governance and risk management strategies. The GC Committee considered management's performance with respect to internal controls and risk mitigation objectives, and accomplishments with respect to advancing governance best practices.</i>	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• Prioritized governance and risk initiatives in a fast-paced year with significant change at both the management and Board level.</li> <li>• Completed build out multi-year IT infrastructure strategy and delivered on all 2024 objectives.</li> <li>• Prepared an updated management succession plan.</li> <li>• Updated all corporate policies.</li> <li>• Advanced HR initiatives to further support the organization.</li> </ul>
<b>Sustainability Strategy and Reporting:</b> <i>Assess management's development and execution of its sustainability strategy and sustainability initiatives, programs, and reporting. The GC Committee considered the Company's sustainability and ESG strategy and reporting initiatives. In addition, the GC Committee examined management's efforts to identify transition risks and execute on energy transition opportunities.</i>	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• Issued the Company's 2023 Sustainability Report in May 2024 which included disclosure and reporting in accordance with the GRI Standards, SASB and certain WEF metrics and disclosures.</li> <li>• Conducted iterative climate scenario analysis to reassess both transition and physical risks and opportunities leveraging insights from three updated climate futures. Updated scenarios incorporating global developments and provided additional Canadian context based on publications from the International Energy Agency and the Canada Energy Regulator, respectively.</li> <li>• Included as a member of the S&amp;P Global Sustainability Yearbook 2025 and added as a constituent of the Dow Jones Best-in-Class World Index.</li> </ul>
<b>Building Talent and Leadership Culture:</b> <i>Assess management's execution of its talent management strategy and the overall leadership culture management has cultivated through its corporate programs and processes and engagement initiatives. The GC Committee considered how well management is building an overall culture of excellence in the organization which in turn translates into organizational efficiency, high-end performance and bench strength across the Company.</i>	
<b>Result</b>	<b>Key Performance Highlights</b>
Outperform	<ul style="list-style-type: none"> <li>• Executed on a number of initiatives identified at the beginning of 2024, including improved communication and talent management.</li> <li>• Achieved strong employee engagement score of 92% employee satisfaction and 86% survey participation.</li> <li>• Developed new employee performance management program for roll out in 2025.</li> <li>• Provided formal leadership training to managers and supervisors.</li> </ul>



## LONG-TERM INCENTIVE PROGRAM

The long-term incentives are designed to align executive and shareholder interests and to reward long-term sustainable performance. Annual long-term incentive grants to NEOs at PrairieSky include PSUs and ODSUs. For 2024, executive long-term awards were comprised of 75% PSUs and 25% ODSUs. In addition, Mr. Murphy was awarded a one-time grant of RSUs totalling \$200,000 upon hire. In respect of 2024, the NEOs long-term incentive targets and number of awards granted were as follows:

Named Executive Officer	2024 Base Salary \$	LTIP Target (% of Base Salary)	Total LTIP Grant \$	2024 LTIP Grant			
				PSU % of LTIP Mix	PSU Grant \$	ODSU % of LTIP Mix	ODSU Grant \$
Andrew M. Phillips	600,000	517%	3,100,000	75%	2,325,000	25%	775,000
Pamela P. Kazeil	425,000	278%	1,180,000	75%	885,000	25%	295,000
Daniel J. Bertram	410,000	200%	820,000	75%	615,000	25%	205,000
Michael T. Murphy <sup>(1)</sup>	280,000	75%	210,000	75%	157,500	25%	52,500

Note:

(1) Mr. Murphy was appointed Vice-President, Geosciences and Capital Markets on January 24, 2024. Upon hiring, Mr. Murphy was awarded a one-time grant of RSUs of \$200,000. This grant is not included in the table above.

## OFFICER DEFERRED SHARE UNITS

The Company adopted the Officer Deferred Share Unit ("**ODSU**") Plan effective November 29, 2019. Pursuant to the ODSU Plan, the Board may grant ODSUs to officers and employees from time to time and the GC Committee may determine the vesting schedule of the ODSUs (if any). The purpose of the ODSU Plan is to assist the Company in attracting and retaining individuals with experience and ability to act as officers and employees of the Company and to promote a proprietary interest in the Company and a greater alignment of interests between officers and the shareholders. Since inception of the ODSU Plan, the Board has only awarded ODSUs to officers of the Company. See "*Incentive Award Programs – Officer Deferred Share Unit Plan (ODSU Plan)*".

## PERFORMANCE SHARE UNITS

The 2021 Incentive Plan provides for grants of PSUs to officers and employees of the Company to align the interests of executives with the interests of shareholders by making a significant portion of an executive's long-term incentive compensation dependent on performance against the Company's long-term financial performance and strategic goals and on the fair market value of the Common Shares. Since inception of the Company, the Board has only awarded PSUs to officers and select senior employees of the Company.

The PSU multiplier is measured based on a 50% weighting to rTSR against a peer group over a three-year period and a 50% weighting on performance against the Company's Strategy and Business Plan Performance Scorecard over the same period.

Management's execution of the Strategy and Business Plan is measured by the GC Committee annually, with the three-year cumulative total being utilized to calculate the contribution towards the performance payout multiplier at vesting.

See "*Incentive Award Programs – Incentive Plans*".

### Relative Total Shareholder Return ("rTSR")

Company performance is evaluated against its three-year rTSR, which provides an objective assessment of market performance over a longer period of time. rTSR is measured against a group of performance peers and represents 50% of the overall performance payout multiplier for PSUs.



Performance is measured on a linear basis, by reference to the following table:

	Minimum	Target	Maximum
<b>Relative TSR Positioning</b>	<25 <sup>th</sup> Percentile	50 <sup>th</sup> Percentile	75 <sup>th</sup> Percentile
<b>Relative TSR Multiplier</b>	0.0x	1.0x	2.0x

Maximum full credit for top quartile performance would be 2.0x (weighted 50% to overall score), declining on a linear basis to the bottom quartile which would be zero (0.0x), which is consistent with how the rTSR has been applied in prior years. The actual result is measured at the end of the performance period. For the 2024 PSU grants, the performance period is from January 1, 2024 to December 31, 2026.

For the 2022 PSU grants, the three-year performance period was from January 1, 2022 to December 31, 2024. Based on the rTSR over the performance period, a score of 1.0x (2.0x score given top quartile performance weighted at 50%) was achieved. Results are discussed further below.

### Performance Peer Group

The following table outlines the companies selected to be part of PrairieSky's 2022, 2023 and 2024 performance peer groups. Annually, the GC Committee reviews the composition of the Company's performance peer group which is used to determine the rTSR portion of the performance payout multiplier for PSUs. In determining the 2024 performance peer group, the GC Committee removed REITs and added incremental oil and gas and royalty companies as the GC Committee believes these companies are more closing impacted by the same macro-economic factors and more closely compete for capital with PrairieSky.

Performance Peer Group Constituents	2022	2023	2024
ARC Resources Ltd.	•	•	•
Canadian Apartment Properties Real Estate Investment Trust	•	•	
First Capital Real Estate Investment Trust	•	•	
Franco-Nevada Corporation	•	•	•
Freehold Royalties Ltd.	•	•	•
H&R Real Estate Investment Trust	•	•	
Labrador Iron Ore Royalty Corporation	•	•	•
Osisko Gold Royalties Ltd	•	•	•
RioCan Real Estate Investment Trust	•	•	
Royal Gold, Inc.	•	•	•
SmartCentres Real Estate Investment Trust	•	•	
Texas Pacific Land Corporation			•
Topaz Energy Corp.	•	•	•
Tourmaline Oil Corp.	•	•	•
Veren Inc.			•
Vermilion Energy Inc.	•	•	•
Wheaton Precious Metals Corp.	•	•	•
Whitecap Resources Inc.			•

### Strategy And Business Plan

Execution of the Strategy and Business Plan is calculated at end of each year and a cumulative three-year score for the performance period is applied. The Strategy and Business Plan maximum possible score is 1.0x maximum (scale of 0.0-2.0x and weighted 50%), with each of the applicable three year's scores contributing 0.3333 points. Performance on each category of the Strategy and Business Plan is weighted on the scale below, with anything below 25% given nil (0) credit.



Achievement of the goals within the components of our Strategy and Business Plan include:

Strategy and Business Plan Components	Minimum	Target	Maximum
Business Development Operational Excellence (Cost Control, Compliance and Asset Integration) People Management Governance and Sustainability	<25% (0.0x)	50% (1.0x)	100% (2.0x)

**2022 PSU GRANTS VESTING JANUARY 2025 - THREE YEAR PERFORMANCE MEASUREMENT SCORECARD (2022-2024)**

To determine the ultimate value and payout multiplier applicable to PSUs granted to the CEO and CFO in 2022, the GC Committee considered achievements during the 2022, 2023 and 2024 fiscal years as compared to the strategy and business plan.

The following table outlines performance measurement for the 2022 PSU grant for both the rTSR portion and the execution of the strategic objectives in the Strategy and Business Plan:

2022-2024 Three-Year Performance		Measurement Criteria	Weighting	Score Calculation January 1, 2022-December 31, 2024		
Category	Metric			Result by Measure	Score by Measure	Weighted Score by Measure
<b>Market</b>	Three-year rTSR Jan. 1, 2022 – Dec. 31, 2024	Based on quartile rank relative to performance peer group	50%	In First Quartile (top decile of 2022 Performance Peer Group)	2.00x	1.0 towards PSU Multiplier
<b>Execution of Strategy and Business Plan</b>	Business Development	Based on achievement of strategic and business-related goals over the 3-year measurement period	50%	82.5%	1.63x	0.8167 towards PSU Multiplier
	Operational Excellence			89.2%		
	People Management			65.8%		
	Governance and Sustainability			89.2%		
<b>Corporate Performance Payout Multiplier Score for Three-Year Period January 1, 2022-December 31, 2024</b>						<b>1.8167</b>



<b>Execution of Strategy and Business Plan Performance Scorecard</b> <b>Three Year Performance Period (2022-2024)</b> <b>Key Initiatives and Accomplishments</b>		
Business Development	<ul style="list-style-type: none"> <li>Identified low-cost oil plays for royalty investment. Average quarterly oil royalty production increased 19% from Q1 2022 to Q4 2024.</li> <li>Earned \$73 million in lease bonus consideration over the three-year period and entered into a record number of leases in 2022 with 2023 and 2024 being the next highest years on record.</li> <li>During the three-year period from January 1, 2022 to December 31, 2024, increased year-end proved plus probable oil reserves by 4% through third-party capital invested on PrairieSky lands and strategic acquisitions.</li> <li>Completed acquisitions of incremental fee and gross overriding royalty interests during the three-year period for an aggregate value of \$146.3 million (2024: \$57.3 million; 2023: \$58.4 million; 2022: \$30.6 million).</li> </ul>	82.5%
Operational Excellence	<ul style="list-style-type: none"> <li>Full integration of Heritage Royalty Assets which closed on December 31, 2021.</li> <li>Collected over \$22.6 million in royalty compliance revenue and brought back 399 sections of land into PrairieSky inventory which can be re-leased.</li> <li>Continued to employ prudent fiscal management, reducing debt by 78% or \$500 million from January 1, 2022 to December 31, 2024. Renegotiated the Company's credit facility, voluntarily reducing it from \$725 million to \$350 million.</li> <li>Advanced the Company's information technology platform over the last three years, adding different modules to enhance efficiencies of royalty compliance software and implementing new technologies in the finance and engineering departments.</li> <li>Developed and advanced IT infrastructure strategy, completing multiple initiatives.</li> </ul>	89.2%
People Management	<ul style="list-style-type: none"> <li>Over the three-year performance period, management did not meet the GC Committee's expectations related to workforce succession planning.</li> <li>Increased focus on people and culture in 2024 following a year of management transition in 2023, earning over 90% employee engagement score in 2024.</li> <li>Delivered formal training to all staff on the Business Code of Conduct and ethics, diversity and inclusion in the workplace, health and safety and cyber-security training for all staff.</li> <li>Provided formal leadership training for all managers and supervisors.</li> </ul>	65.8%
Governance and Sustainability	<ul style="list-style-type: none"> <li>Received increasing scores on executive pay over the three years, including 98.5% support in 2024.</li> <li>Continued to advance sustainability reporting, reporting in accordance with GRI Standards (using GRI 1: Foundation 2021 to prepare this Index and applying GRI 11: Oil and Gas Sector 2021) and the SASB Oil &amp; Gas - Exploration &amp; Production Industry Standard and adding certain WEF core and expanded metrics and disclosures.</li> <li>Achieved strong results from ESG surveys: Maintained "AAA" rating in MSCI from 2022-2024. Included in the S&amp;P CSA Sustainability Yearbook 2022, 2023 and 2024 which recognizes sustainability excellence.</li> <li>Completed comprehensive review and update of all corporate policies, including updates for regulatory changes.</li> </ul>	89.2%
<b>Total Evaluation – Average of 4 Components (out of a possible 100%)</b>		<b>81.67%</b>

### 2022 PSU GRANT (VESTING JANUARY 2025)

Named Executive Officer	2022 PSU Grant <sup>(1)</sup> #	2022 PSU Grant <sup>(1)</sup> \$	2022 PSU Grant Units Vested <sup>(2)</sup> #	PSU Multiplier 2022-2024 Performance Period	2022 PSU Value Vested <sup>(3)</sup> \$
Andrew M. Phillips	156,823	2,137,500	174,613	1.8167	8,904,400
Pamela P. Kazeil	52,274	712,500	58,204	1.8167	2,968,100

Notes:

- (1) The number of PSUs granted in 2022 was determined using the December 31, 2021 closing price of the Common Shares on the TSX of \$13.63.
- (2) The number of PSUs which vested were adjusted to reflect reinvested cash dividends made on the underlying Common Shares for the period from the date of grant to the vesting date of January 15, 2025.
- (3) The value of the 2022 PSUs on vesting was determined using the five-day weighted average trading price of the Common Shares on the TSX ending on January 14, 2025 of \$28.07 and includes dividend equivalents.



## CEO COMPENSATION

The compensation of the CEO is reviewed annually and determined by the Board. The level of CEO compensation is determined considering all factors which the Board deems appropriate, including Chief Executive Officer salaries for companies of comparable size, industry, geography and complexity. The grant of incentive awards is determined by the Board, upon recommendation of the GC Committee, based on considerations such as the Company's overall performance, relative shareholder returns and/or other relevant factors.

Compensation Components	2023 Target \$	2024 Target \$	2024 Actual <sup>(1)</sup> \$
Base Salary	600,000	600,000	600,000
Bonus	800,000	900,000	1,575,000
PSU Grants	2,325,000	2,325,000	2,325,000
ODSU Grants	775,000	775,000	775,000
Other Compensation <sup>(2)</sup>	90,000	90,000	90,000
<b>Total Direct Compensation</b>	<b>4,590,000</b>	<b>4,690,000</b>	<b>5,365,000</b>

Notes:

- (1) Base Salary, Other Compensation and Bonus reflect actual amounts paid in the period. PSU and ODSU grants reflect target compensation that may (or may not) be paid in future periods as further described below.
- (2) "Other Compensation" includes retirement savings plan contributions. See "*Compensation Discussion and Analysis – Compensation Tables – Retirement Savings Plan*".

### TOTAL SHAREHOLDER RETURN AND CEO COMPENSATION

PrairieSky's compensation is structured to provide alignment with the long-term interests of shareholders. The following table compares the CEO's total awarded direct compensation (target compensation) over time and the alignment with actual total direct compensation. The table includes:

- The value of total awarded direct compensation (target compensation) which includes base salary, actual short-term incentive (annual bonus) and long-term incentives (PSUs, ODSUs, Options) at grant date value; and
- The value of actual total direct compensation valued at December 31, 2024 which includes base salary, actual short-term incentive (annual bonus), vested PSUs that have paid out and exercised Options. Also included is realizable compensation which includes all unvested PSUs as well as all vested and unvested ODSUs.

The table below compares:

- The CEO's grant date value of total awarded direct compensation (target compensation) relative to the actual total direct compensation value received from his compensation commencing 2020; and
- The value of \$100 of total awarded direct compensation in relation to the value of \$100 invested in Common Shares at the beginning of the periods indicated.

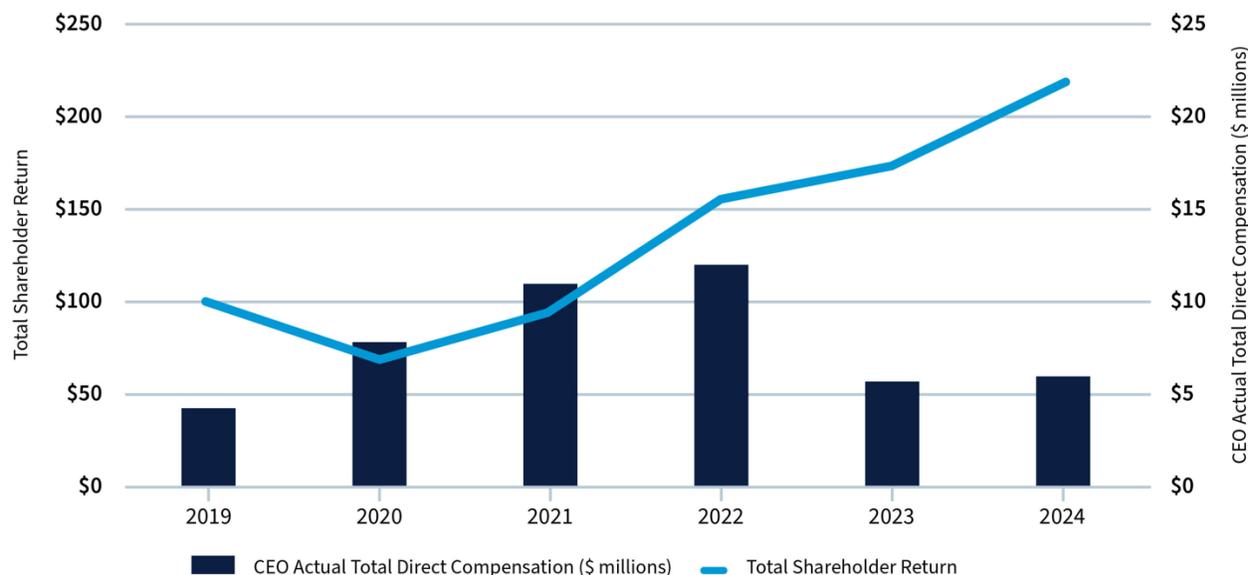


Year	Total Awarded Direct Compensation (Target Compensation) <sup>(1)</sup> \$	Actual Total Direct Compensation (Value as of December 31, 2024) <sup>(2)(3)(4)</sup> \$	Value of \$100		
			Period	CEO	Shareholder
2020	3,625,000	7,838,000	2020-01-01 to 2024-12-31	216	218
2021	4,225,000	11,014,000	2021-01-01 to 2024-12-31	261	317
2022	4,380,000	12,049,000	2022-01-01 to 2024-12-31	275	230
2023	4,500,000	5,682,000	2023-01-01 to 2024-12-31	126	140
2024	5,275,000	5,972,000	2024-01-01 to 2024-12-31	113	125

Notes:

- (1) Total awarded direct compensation includes base salary, actual annual short-term incentive paid, LTIP value at the time of grant (PSUs, Options, ODSUs).
- (2) Actual total direct compensation includes base salary, actual annual short-term incentive paid, value of vested PSUs, value of exercised Options and the fair market value of unvested PSUs and vested and unvested ODSUs, including dividend equivalents. PSUs are paid out upon vesting, following the three-year performance period. ODSUs are not paid out until the NEO leaves the Company, subject to the terms of the ODSU Plan.
- (4) Includes 2022 PSU grant which vested and was paid on January 15, 2025. A performance payout multiplier of 1.8167x, as described above, was applied to the 2022 PSU grant. The value of the 2022 PSUs was determined using the five-day weighted average trading price ending on January 14, 2025 of the Common Shares of \$28.07 and included reinvested cash dividends made on the underlying Common Shares for the period from the date of grant to the vesting date.
- (5) The value of unvested 2023 and 2024 PSU grants is based on the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03 and includes dividend equivalents. A payout multiplier of 1.0x has been assumed for the 2023 and 2024 PSU grants. If a performance payout multiplier at the maximum 2.0x were applied, such PSUs would be worth an incremental \$3.2 million in respect of 2023 compensation and an incremental \$2.8 million in respect of 2024 compensation, assuming a price of \$28.03 per Common Share as at December 31, 2024. The actual performance payout multiplier will be determined at the end of each performance period.

The chart below outlines the CEO’s actual total direct compensation value as of December 31, 2024 and the total shareholder return between December 31, 2019 and December 31, 2024, including dividends.



The CEO’s compensation has aligned with shareholder returns as shown in the table and chart above. ODSUs will remain outstanding until the CEO leaves the Company providing alignment with shareholders.



## CEO OWNERSHIP AND VALUE AT RISK

The table below outlines Mr. Phillips' total vested and unvested PrairieSky equity as at December 31, 2024. His Common Share ownership based on market value is \$27.0 million or 45x times his salary and his total ownership and value at risk is \$48.2 million. Mr. Phillips' Common Share ownership and vested ODSUs, which are not paid out until he leaves the Company, represent 1.81x the number of outstanding and unvested PSUs and ODSUs demonstrating shareholder alignment.

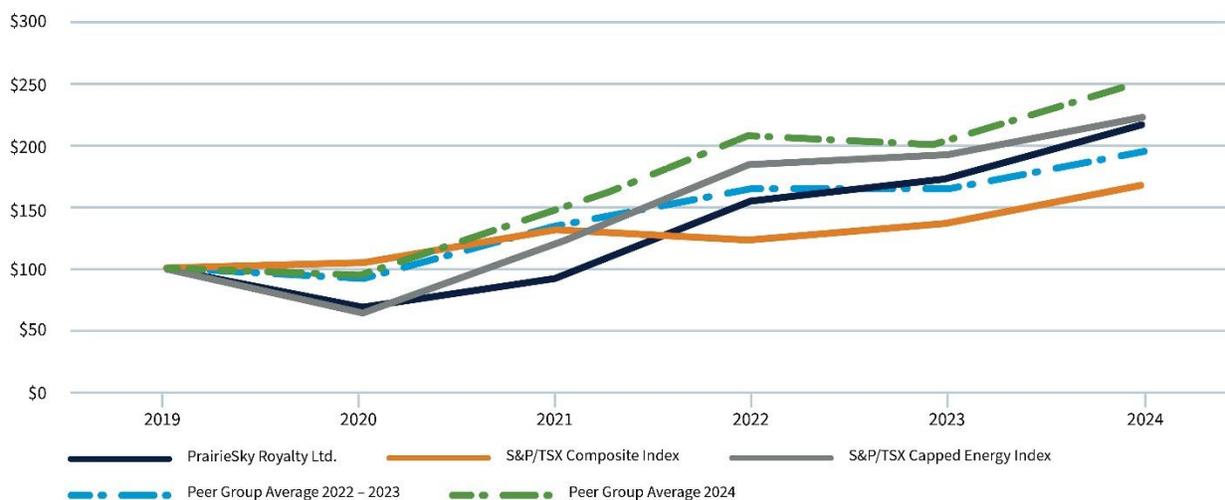
	PSU <sup>(1)</sup>		ODSU <sup>(2)</sup>		Common Shares <sup>(3)</sup>		Total Share Ownership	Total as a Multiple of Base Salary
	Number	Value (\$)	Number	Value (\$)	Number	Value (\$)	Number	
Vested	-	-	143,269	4,015,800	962,981	26,992,400	1,106,250	51.7x
Unvested	390,805	14,964,200	78,516	2,200,800	-	-	467,780	28.6x
<b>Total</b>	<b>390,805</b>	<b>14,964,200</b>	<b>221,785</b>	<b>6,216,600</b>	<b>962,981</b>	<b>26,992,400</b>	<b>1,574,030</b>	<b>80.3x</b>

### Notes:

- PSUs include the 2022, 2023 and 2024 grants, all of which were unvested at December 31, 2024. The 2022 PSU grant in the table above represents the number of PSUs vested and paid on January 15, 2025 at a performance payout multiplier of 1.8167x, as described above. The 2022 PSUs were valued using the five-day weighted average trading price ending on January 14, 2025 of the Common Shares on the TSX of \$28.07 and include reinvested cash dividends to the vesting date on January 15, 2025. A payout multiplier of 1.0x has been assumed for the 2023 and 2024 PSU grants. If a payout multiplier at the maximum 2.0x is applied, such PSUs would be worth an incremental \$3.2 million in respect of 2023 compensation and an incremental \$2.8 million in respect of 2024 compensation assuming the closing price of the Common Shares on the TSX on December 31, 2024 of \$28.03. The actual performance payout multiplier will be determined at the end of each performance period. PSUs for 2023 and 2024 include dividend equivalents.
- ODSUs are not paid out until the NEO leaves the Company, subject to the terms of the ODSU Plan. The value of ODSUs is based on the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03 and includes dividend equivalents.
- Common Share value is based on the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03.

## PERFORMANCE GRAPH

The graph below compares the performance of the Company since December 31, 2019 (with all dividends reinvested) to the S&P/TSX Composite Index, the S&P/TSX Capped Energy Index, and the average return for each of the peer groups (peer group 2024 and peer group 2022-2023), each starting with an investment of \$100 on December 31, 2019. See "Compensation Discussion and Analysis – Executive Compensation – Compensation Philosophy – Benchmarking Executive Compensation" for more information on our peer group.





	Dec. 31, 2019	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2024
PrairieSky Royalty Ltd.	\$100	\$69	\$95	\$156	\$174	\$218
S&P/TSX Composite Index	\$100	\$106	\$132	\$124	\$139	\$169
S&P/TSX Capped Energy Index	\$100	\$65	\$121	\$186	\$194	\$223
Peer Group Average 2022-2023	\$100	\$92	\$134	\$166	\$167	\$196
Peer Group Average 2024	\$100	\$95	\$147	\$210	\$201	\$253

PrairieSky's focus is on long-term shareholder value and providing returns to shareholders in an industry subject to commodity price cycles. From December 31, 2019 to December 31, 2021, the Company's return was below the S&P/TSX Composite Index. The Company's return exceeded the S&P Composite Index in 2022 to December 31, 2024. Over the five-year period from December 31, 2019, the Company's return has been in-line with S&P/TSX Capped Energy Index. As compared to the Company's 2022-2023 peer group, the Company's performance trailed the peer group and then surpassed the peer group in 2023 and 2024. In 2024, the peer group was updated to remove real estate investment trusts and add royalty and oil and natural gas companies. Based on returns since 2019, the 2024 peer group has outpaced PrairieSky's return and is expected to be more aligned with the challenges of the industry and the macro-economic environment. At points during this five-year period, granted NEO compensation was adjusted downward to reflect these challenges and the impact on PrairieSky's share price. Realized compensation has aligned with share price performance over the period which is consistent with our pay for performance philosophy.

In 2024, the Company's total shareholder return was 25%, which was above the S&P/TSX Composite Index, the S&P/TSX Capped Energy Index and the 2022-2023 peer group average. In 2024, the GC Committee undertook a review of PrairieSky's peer group as previously discussed. For 2024, PrairieSky's return was 1% below the new peer group average. Total direct compensation for our NEOs is aligned with shareholders as a substantial majority of total direct compensation is linked to PrairieSky's share price and overall performance. The following table illustrates total shareholder returns for 2024.

	2024
PrairieSky Royalty Ltd.	25%
S&P/TSX Composite Index	22%
S&P/TSX Capped Energy Index	15%
2022-2023 Peer Group Average	17%
2024 Peer Group Average	26%



# COMPENSATION TABLES

## SUMMARY COMPENSATION TABLE

The following table sets out annualized compensation paid by the Company to the NEOs for the fiscal years ended December 31, 2022, 2023 and 2024. This table includes amounts paid in the year (salary, annual incentive plans (STIP or annual bonus)) as well as values of long-term incentive grants (option-based awards, share-based awards) which vest in future years.

Name and principal position	Year	Salary (\$)	Share-based awards <sup>(1)</sup> (\$)	Option-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation			All other compensation <sup>(5)</sup> (\$)	Total compensation (\$)
					Annual incentive plans <sup>(3)</sup> (\$)	Long-term incentive plans <sup>(3)</sup> (\$)	Pension value <sup>(4)</sup> (\$)		
Andrew M. Phillips, President & CEO <sup>(6)</sup>	2024	600,000	3,100,000	-	1,575,000	-	90,000	-	5,365,000
	2023	600,000	3,100,000	-	800,000	-	90,000	-	4,590,000
	2022	580,000	2,850,000	-	950,000	-	69,600	-	4,449,600
Pamela P. Kazeil, Senior Vice-President, Finance & CFO	2024	425,000	1,180,000	-	815,000	-	63,800	-	2,483,800
	2023	410,000	1,100,000	-	410,000	-	61,500	-	1,981,500
	2022	395,000	950,000	-	425,000	-	47,400	-	1,817,400
Daniel J. Bertram, Vice-President, Business Development & CCO <sup>(7)</sup>	2024	410,000	820,000	-	538,100	-	61,500	-	1,829,600
	2023	93,000	820,000	-	75,000	-	14,000	-	1,002,000
	2022	-	-	-	-	-	-	-	-
Michael T. Murphy, Vice-President, Geosciences & Capital Markets <sup>(8)</sup>	2024	260,000	410,000	-	245,000	-	39,000	-	954,000
	2023	-	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-	-

Notes:

- (1) Represents the fair value of RSUs and PSUs awarded to the NEO under the 2021 Incentive Plan at the date of grant and the fair value of ODSUs awarded to the NEO under the ODSU Plan. The RSU, PSU and ODSU compensation expenses are accounted for on a fair value basis in accordance with International Financial Reporting Standards ("IFRS") and may be allocated for accounting purposes.
- (2) No Options were granted in 2022, 2023 or 2024 and the GC Committee and the Board do not expect to grant any further Options under the Option Plan.
- (3) The Company has not awarded any non-equity based long-term incentive plan compensation for the 2022, 2023 and 2024 calendar years. See "Compensation Discussion and Analysis – Executive Compensation – Components of Compensation – STIP (Annual Bonus)" for a description of annual bonuses under the annual incentive plan.
- (4) The amount of pension value compensation of the NEOs for the calendar year. See "Compensation Discussion and Analysis – Compensation Tables – Retirement Savings Plan".
- (5) No property or other personal benefits were provided to the NEOs that are not generally available to all employees and, that in aggregate, were worth \$50,000 or more, or were worth 10% or more of the NEO's total salary for the years ended December 31, 2022, 2023 and 2024.
- (6) All amounts paid to Mr. Phillips were in respect of his position as CEO. Mr. Phillips did not receive any compensation for his role as a director of the Company.
- (7) Mr. Bertram was appointed Vice-President, Business Development and CCO on October 10, 2023. Mr. Bertram's annual salary for 2023 of \$410,000 was pro-rated to his start date in the table above. In 2023, Mr. Bertram's share-based award grant included a special one-time ODSU grant of \$550,000.
- (8) Mr. Murphy was appointed Vice-President, Geosciences and Capital Markets on January 29, 2024. Mr. Murphy's annual salary of \$280,000 has been pro-rated to his start date in the table above. Mr. Murphy's share-based award grant included a special one-time RSU grant of \$200,000.



## OUTSTANDING OPTION-BASED AWARDS AND SHARE-BASED AWARDS

The following table sets forth, for each Named Executive Officer, the value of all option-based and share-based awards that were outstanding as of December 31, 2024.

Name and principal position		Option-based awards <sup>(1)</sup>				Share-based awards		
		Common Shares underlying unexercised Options	Exercise prices of Options	Option expiration dates	Value of unexercised in-the-money Options	Number of RSUs, PSUs and ODSUs that have not vested <sup>(2)</sup>	Market or payout value of RSUs, PSUs and ODSUs that have not vested <sup>(3)</sup>	Market or payout value of vested RSUs, PSUs and ODSUs not paid out or distributed <sup>(2),(4)</sup>
		(#)	(\$)		(\$)	(#)	(\$)	(\$)
Andrew M. Phillips, President & CEO	2024	-	-	-	-	135,455	3,796,800	-
	2023	-	-	-	-	140,047	3,925,500	356,700
	2022	-	-	-	-	192,278	5,389,600	1,076,600
	2021	-	-	-	-	-	-	1,915,800
	2020	-	15.23	January 1, 2025	-	-	-	666,700
	<b>Total</b>	-	-	-	-	<b>467,780</b>	<b>13,111,900</b>	<b>4,015,800</b>
Pamela P. Kazeil, SVP, Finance & CFO	2024	-	-	-	-	51,561	1,445,300	-
	2023	-	-	-	-	49,694	1,392,900	126,600
	2022	-	-	-	-	64,092	1,796,500	358,900
	2021	-	-	-	-	-	-	642,500
	2020	-	15.23	January 1, 2025	-	-	-	223,600
	<b>Total</b>	-	-	-	-	<b>165,347</b>	<b>4,634,700</b>	<b>1,351,600</b>
Daniel J. Bertram VP, Business Development & CCO	2024	-	-	-	-	35,830	1,004,300	-
	2023	-	-	-	-	18,310	513,200	463,300
	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	<b>54,140</b>	<b>1,517,500</b>	<b>463,300</b>
Michael T. Murphy, VP, Geosciences & Capital Markets	2024	-	-	-	-	17,354	486,400	-
	2023	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
	2021	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	<b>17,354</b>	<b>486,400</b>	-

Notes:

- (1) No Options have been granted since 2020 and all previously granted Options have been exercised or have expired. The GC Committee and the Board do not expect to grant any further Options under the Option Plan.
- (2) The number of share-based awards includes dividend equivalents.
- (3) Represents the market value of the RSUs, PSUs and ODSUs calculated based on the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03. An assumed multiplier of 1.0x has been applied to the PSUs. If the maximum multiplier of 2.0x is applied to the PSUs, the market value of the PSUs not paid out or distributed would be \$21,822,100 for Mr. Phillips; \$7,681,600 for Ms. Kazeil; \$1,988,900 for Mr. Bertram; and \$373,700 for Mr. Murphy.
- (4) All RSUs and PSUs are paid out upon vesting. ODSUs are not paid out until the NEO leaves the Company, subject to the terms of the ODSU Plan.



## OPTION-BASED AWARDS, SHARE-BASED AWARDS AND NON-EQUITY COMPENSATION — VALUE VESTED OR EARNED IN 2024

The following table sets forth for each Named Executive Officer, the value of non-equity incentive plan compensation earned during the year ended December 31, 2024 and the value of share-based awards which vested during the year ended December 31, 2024. RSUs typically vest evenly over a three-year period and PSUs vest three years from the date of grant. ODSUs typically vest evenly over a three-year period but are not paid out until after the NEO leaves the Company.

Name	RSUs <sup>(1)</sup>			PSUs <sup>(1)</sup>			ODSUs <sup>(2)</sup>			Options <sup>(3)</sup>		2024 Bonus <sup>(4)</sup>	
	Year of Award	Number of Awards Vested	Value (\$)	Year of Award	Number of Awards Vested	Value <sup>(1)</sup> (\$)	Year of Award	Number of Awards Vested	Value <sup>(2)</sup> (\$)	Year of Award	Number of Awards Vested	Value <sup>(3)</sup> (\$)	(\$)
Andrew M. Phillips, President & CEO	2023	-	-	-	-	-	2023	12,727	356,700	-	-	-	-
	2022	-	-	-	-	-	2022	19,900	557,800	-	-	-	1,575,000
	2021	-	-	2021	199,938	7,348,500	2021	24,432	684,800	-	-	-	-
Pamela P. Kazeil, SVP, Finance & CFO	2023	-	-	-	-	-	2023	4,516	126,600	-	-	-	-
	2022	-	-	-	-	-	2022	6,634	186,000	-	-	-	815,000
	2021	-	-	2021	67,050	2,464,300	2021	8,194	229,700	-	-	-	-
Daniel J. Bertram, VP, Business Development & CCO	2023	-	-	-	-	-	2023	16,519	463,000	-	-	-	-
	2022	-	-	-	-	-	2022	-	-	-	-	-	538,100
	2021	-	-	-	-	-	2021	-	-	-	-	-	-
Michael T. Murphy, VP, Geosciences & Capital Markets <sup>(5)</sup>	2023	-	-	-	-	-	2023	-	-	-	-	-	-
	2022	-	-	-	-	-	2022	-	-	-	-	-	245,000
	2021	-	-	-	-	-	2021	-	-	-	-	-	-

### Notes:

- (1) The value of the RSUs and PSUs that vested in 2024 was calculated based on the weighted average trading price of the Common Shares for the five trading days ending immediately prior to the vesting date multiplied by the number of PSUs on such date, adjusted to reflect reinvested cash dividends made on the underlying Common Shares for the period from the date of grant to the vesting date. The 2021 Incentive Plan is not considered a security-based compensation arrangement under the applicable rules of the TSX as share unit awards granted thereunder may only be settled in cash in accordance with the 2021 Incentive Plan.
- (2) ODSUs typically vest evenly over a three-year period but are not paid out until after the NEO leaves the Company, subject to the terms of the ODSU Plan. The ODSU value is based on the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03 and includes reinvested cash dividends made on the underlying Common Shares from the date of grant to December 31, 2024.
- (3) No Options are outstanding. No Options have been granted since 2020 and the GC Committee and the Board do not expect to grant any further Options under the Option Plan.
- (4) 2024 bonus reflects amounts earned in the 2024 fiscal year.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has entered into Amended Executive Employment Agreements with the CEO and CFO and Executive Employment Agreements with the CCO and Vice-President, Geosciences and Capital Markets. The terms of such employment agreements are in accordance with current market standards for agreements of a similar nature and include provisions that provide for payment of severance in certain circumstances, which include the aggregate of: (i) the executive officer's annual base salary, plus (ii) the average annual bonus awarded to the executive officer over the prior three years, plus (iii) 25% of base salary for the loss of benefits. The severance payment will be calculated based on a notice period multiplier of two for the CEO, one and a half for the CFO and one for the CCO and Vice-President, Geosciences and Capital Markets (the "**Termination Payment**"). For purposes of the executive employment agreements, termination may be by the Company (other than for cause) or at the election of the Named Executive Officer (within a six-month period following a change of control) for any one or more of the following reasons which constitute "good reason": (i) the failure of the Company to agree to perform any material terms of the executive employment agreement; (ii) the Company requiring the executive officer, without the executive officer's consent, to be based or perform his or her employment duties elsewhere than the Company's principal offices in Calgary, Alberta, except for required travel or temporary projects in connection with the Company's business; or (iii) the Company failing to provide or failing to agree to provide the executive officer with the same or a materially similar or comparable position, responsibilities, duties, compensation and benefits, as described herein, as previously provided to the executive officer by the Company.



The Company is entitled to terminate the executive employment agreements at any time for just cause and is then obligated to pay such executive officer's salary (and accrued unused vacation) through to the termination date. The Company is also entitled to terminate the executive employment agreements at any time for any reason other than just cause and is then obligated to pay to the executive officer the Termination Payment.

The Board has also adopted a Retirement Policy that applies to employees and executive officers of the Company. The Amended Executive Employment Agreements, Executive Employment Agreements, the 2021 Incentive Plan, the ODSU Plan and the grant agreements in respect of awards thereunder each refer to "Retirement" or the retirement of such person from employment with the Company in accordance with the normal retirement policy of the Company. Such references are to the Retirement Policy, as amended from time to time.

An employee or executive officer of the Company shall be considered eligible for "Retirement" from employment with the Company (including, for greater certainty, any subsidiary of the Company) if they meet both the following criteria: (a) reaching an age of 55; and (b) having no less than 10 years of continuous service as an employee or officer of the Company. For the purposes of determining no less than 10 years of continuous service as an employee or officer of the Company under the Retirement Policy, certain exceptions apply including but not limited to certain events which are deemed to lead to a cessation of continuous service as an employee.

The following chart illustrates the payments that each of the CEO, CFO, CCO and Vice-President, Geosciences & Capital Markets would receive, in certain circumstances, in the event of their termination as at December 31, 2024. In all events below, subject to contractual agreements, the Board maintains ultimate discretion on all payouts.

Type	Termination Payment	RSUs/PSUs/ODSUs
Termination for Just Cause	None.	All RSUs/PSUs expire and are cancelled on the termination date.  All vested ODSUs are redeemable and unvested ODSUs are forfeited.
Termination without Just Cause	(a) Annual base salary, plus (b) the average annual bonus awarded to the executive over the prior three years, plus (c) 25% of base salary for the loss of benefits, with a multiplier as follows: (i) CEO – 2.0x (ii) CFO – 1.5x (iii) CCO – 1.0x (iv) VP, Geosciences & Capital Markets – 1.0x	For the CEO, all RSUs/PSUs which may vest within 24 months of the termination date are paid out at a multiplier of 1.0x and the Fair Market Value (as defined in the applicable plan document). For the CFO, the applicable time period is 18 months. For the CCO and VP Geosciences & Capital Markets, the applicable time period is 12 months.  All ODSUs vest and are redeemable.
Change of Control	None.	In the event substitution or replacement securities are not provided, all RSUs/PSUs vest.  All ODSUs vest and are redeemable.
Termination for "Good Reason" following a Change of Control	(a) Annual base salary, plus (b) the average annual bonus awarded to the executive over the prior three years, plus (c) 25% of base salary for the loss of benefits, with a multiplier as follows: (i) CEO – 2.0x (ii) CFO – 1.5x (iii) CCO – 1.0x (iv) VP, Geosciences & Capital Markets – 1.0x	For the CEO, all RSUs/PSUs which may vest within 24 months of the termination date are paid out at a multiplier of 1.0x and the Fair Market Value (as defined in the applicable plan document). For the CFO, the applicable time period is 18 months. For the CCO and Vice-President, Geosciences & Capital Markets, the applicable time period is 12 months.  All ODSUs vest and are redeemable.
Resignation	None.	All RSUs/PSUs are cancelled.  All vested ODSUs are redeemable and unvested ODSUs are forfeited.
Retirement	None.	All PSUs/RSUs are terminated for a cash payment equal to the target amount at the grant date.  All ODSUs vest and are redeemable.

The chart below illustrates the payments that would have been made to each of the NEOs pursuant to their executive employment agreements or arrangements and the payments that would have been made to the NEOs pursuant to the share unit awards held by them as a result of termination for just cause or resignation, termination without just cause, change of



control, termination for "good reason" following a change of control, retirement or death assuming such event occurred on December 31, 2024.

The maximum liability of the Company to the NEOs provided under all employment agreements and for all outstanding RSUs, PSUs and ODSUs as of December 31, 2024 was approximately \$27.3 million.

Name	Triggering Event	Payment Pursuant to Employment Agreement (\$)	RSU/PSU Payments <sup>(1)(2)(3)</sup> (\$)	ODSU Payments <sup>(1)(3)</sup> (\$)	Total (\$)
Andrew M. Phillips, President & CEO	Termination for Just Cause or Resignation	-	-	4,015,800	4,015,800
	Termination without Just Cause	3,716,700	8,063,300	6,216,600	17,996,600
	Change of Control and Subsequent Termination	-	10,911,100	6,216,600	17,127,700
	Change of Control and Termination for "Good Reason"	3,716,700	8,063,300	6,216,600	17,996,600
	Retirement <sup>(4)</sup>	-	6,787,500	6,216,600	13,004,100
	Death	-	10,911,100	6,216,600	17,127,700
Pamela P. Kazeil, Senior Vice President, Finance & CFO	Termination for Just Cause or Resignation	-	-	1,351,600	1,351,600
	Termination without Just Cause	1,621,900	2,756,800	2,145,400	6,524,100
	Change of Control and Subsequent Termination	-	3,840,800	2,145,400	5,986,200
	Change of Control and Termination for "Good Reason"	1,621,900	2,756,800	2,145,400	6,524,100
	Retirement <sup>(4)</sup>	-	2,422,500	2,145,400	4,567,900
	Death	-	3,840,800	2,145,400	5,986,200
Daniel J. Bertram, Vice President, Business Development & CCO	Termination for Just Cause or Resignation	-	-	463,000	463,000
	Termination without Just Cause	1,050,600	-	986,200	2,036,800
	Change of Control and Subsequent Termination	-	994,400	986,200	1,980,600
	Change of Control and Termination for "Good Reason"	1,050,600	-	986,200	2,036,800
	Retirement <sup>(4)</sup>	-	817,500	986,200	1,803,700
	Death	-	994,400	986,200	1,980,600
Michael T. Murphy, Vice President, Geosciences & Capital Markets	Termination for Just Cause or Resignation	-	-	-	-
	Termination without Just Cause	595,000	79,100	62,300	736,400
	Change of Control and Subsequent Termination	-	424,100	62,300	486,400
	Change of Control and Termination for "Good Reason"	595,000	79,100	62,300	736,400
	Retirement <sup>(4)</sup>	-	357,500	62,300	419,800
	Death	-	424,100	62,300	486,400

Notes:

- (1) All RSUs, PSUs and ODSUs are valued using the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03, and include dividend equivalents to December 31, 2024.
- (2) PSUs have been valued using a payout multiplier of 1.0x.
- (3) Assumes replacement securities underlying the RSUs, PSUs and ODSUs are not available. See "Incentive Award Programs" below.
- (4) An officer or employee of the Company is eligible for "Retirement" if they achieve both the following criteria: (a) reach an age of 55; and (b) have no less than 10 years of continuous service as an employee or officer of the Company. Based on the foregoing criteria, the NEOs would not be eligible for retirement until the following dates: Mr. Phillips – April 2032; Ms. Kazeil – June 2025; Mr. Bertram – January 2042 and Mr. Murphy – May 2035.

## RETIREMENT SAVINGS PLAN

The Company has adopted a plan to provide all employees of the Company, including the Named Executive Officers, the opportunity to save for retirement that is comparable to the Company's peers. This plan consists of a group registered savings plan, a group non-registered savings plan and a tax-free savings account plan in which the Company matches a percentage of



a participant's contributions. In June 2022, the GC Committee along with the Board of Directors approved changes to the retirement savings plan for employees, excluding the executive officers, to respond to rising inflation and for retention purposes. Effective July 1, 2022, the plan was adjusted to match employee contributions, excluding executive officers, from 1:1 up to a maximum of 12% of base salary to a new matching ratio of 1:1.67 up to a maximum of 9%, meaning that for a maximum contribution of 9% of base salary, the Company will make a matching contribution equal to 15% of base salary. The plan requires that the Company's matching savings plan contributions be used by the external custodian and manager of the plan to purchase Common Shares through the facilities of the TSX. The retirement savings plan was amended in 2023 to allow employee contributions to be invested in Common Shares or other investments to provide employees with more flexibility to manage their financial portfolios. All executive officers contribute 100% of their savings plan contributions to purchase Common Shares. No Common Shares are issued from treasury as part of the retirement savings plan. Effective January 1, 2023, the executive officers have moved to the new matching ratio available to employees in the last half of 2022.

The retirement savings plan is considered an automatic securities purchase plan and contains certain restrictions with respect to changing contribution levels, changing investment directions and also withdrawal of investments in the plan. Changes to investment levels and directions can only be made twice per year, with the written approval of the Senior Vice-President, Finance and CFO and only become effective 60 days after the approval is granted. No changes may be made during a blackout period imposed by the Company.

The portion of retirement savings plan contributions made by the Company is escrowed and restricted for a two-year period, meaning that the employee cannot sell or withdraw any portion of such funds during such escrow without approval of the Company, which is only granted in exceptional circumstances. The portion of savings plan contributions made by an employee are escrowed for a one-year period. In accordance with Company policies, no transactions involving Common Shares may be made by a savings plan participant without prior approval, other than automatic and ordinary course purchases of Common Shares under the savings plan made by the external custodian and manager of the plan. The savings plan does not have an automatic-disposition feature.

## DIRECTOR COMPENSATION

### COMPONENTS OF COMPENSATION

Director compensation consists of a flat annual retainer, rather than individual meeting fees. Directors also receive reimbursement for required air travel and accommodation related to in-person meetings, as well as for reasonable out of pocket expenses related to such attendance. Annual compensation paid to our independent directors in 2024 is shown in the table below. There has been no change in director compensation since 2018.

Board Position	Annual Cash Retainer <sup>(1)</sup>	Annual Equity Retainer <sup>(1)</sup>	Total Retainer <sup>(1)</sup>
Board Chair	\$150,000	\$150,000	\$300,000
Independent Directors	\$60,000	\$100,000	\$160,000
<b>Committee Chair Retainers</b>			
Audit Committee Chair	\$15,000	-	\$15,000
GC Committee Chair	\$10,000	-	\$10,000
Reserve Committee Chair	\$10,000	-	\$10,000

Note:

(1) Retainers are prorated for any partial year.

Directors receive no other compensation from PrairieSky in their capacity as directors. Specifically, our directors receive no bonus, incentive, or other compensation upon joining the Board, and do not participate in incentive compensation, pension, or employee benefit plans. No meeting fees were paid to our directors in 2024 beyond amounts set out above.

The only equity-based awards received by directors of PrairieSky are DSUs granted under our deferred share unit plan, described below.



## THE DSU PLAN

The Company has adopted a deferred share unit plan (the "**DSU Plan**") for its directors. Prior to the start of each year, the Company's directors are able to elect to take all or a portion of their annual retainer and any additional compensation in the form of DSUs. DSUs will vest once they are credited to the director's DSU account and may only be redeemed after the director ceases to be a director of the Company.

Newly appointed or elected directors receive their initial grant of DSUs upon or after joining the Board, if the Company is under a trading blackout at such time. In cases where trading blackouts exist, the annual DSU grant (or initial DSU grant for newly appointed or elected directors) is postponed until after the trading blackout is lifted. When a dividend is paid on Common Shares, if any, each director's DSU account will be allocated additional DSUs equal in value to the dividend paid on an equivalent number of Common Shares. When a director ceases to be a director of the Company, by December 15 of the first calendar year following the year that the directorship ceased, a director will be entitled to request redemption of the DSUs following which the value of the redeemed DSUs will be paid to the director in cash on an after-tax basis. The value of the DSUs on any particular date will be calculated by multiplying the number of DSUs in the director's DSU account by the then market value of a Common Share.

The following table sets forth information concerning the annualized compensation paid to the directors during 2024. Mr. Phillips, the CEO, is not included in the following table as he did not receive any compensation (including any annual retainer or grant of DSUs) for serving as a director of the Company.

Name	Fees Earned <sup>(1)</sup> (\$)	Share-based awards <sup>(2)</sup> (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Margaret A. McKenzie <sup>(3)</sup>	126,800	134,600	-	-	261,400
Anna M. Alderson <sup>(4)</sup>	70,400	100,000	-	-	170,400
Anuroop S. Duggal	60,000	100,000	-	-	160,000
P. Jane Gavan <sup>(4)</sup>	70,000	100,000	-	-	170,000
Glenn A. McNamara	60,000	100,000	-	-	160,000
Sheldon B. Steeves <sup>(4)</sup>	70,000	100,000	-	-	170,000
James M. Estey <sup>(5)</sup>	46,700	46,700	-	-	93,400
Leanne M. Bellegarde <sup>(5)</sup>	60,000	100,000	-	-	160,000
Grant A. Zawalsky <sup>(5)</sup>	18,700	31,100	-	-	49,800

Notes:

- (1) Unless otherwise indicated, represents the director's annualized retainer and chair fees for the 2024 calendar year. No additional compensation was provided for attending meetings of the Board or any meetings of a committee of the Board. Directors are able to elect to receive all or a portion of their annual retainer and chair fees in the form of DSUs. Ms. McKenzie, Mr. Duggal, Ms. Gavan, Mr. McNamara, Ms. Bellegarde, Mr. Estey and Mr. Zawalsky elected to receive the entirety of their 2024 annual Board and committee chair retainers in the form of DSUs. Ms. Alderson and Mr. Steeves elected to receive the entirety of their Board and committee chair retainers of \$70,400 and \$70,000 respectively, in cash.
- (2) Represents the fair market value of the DSUs awarded to the director under the DSU Plan at the time of grant (not including DSUs which a director elected to receive as part of his or her annual retainer or any additional cash compensation). DSUs vest entirely at the time of grant. The DSU compensation expense is accounted for on a fair value basis in accordance with IFRS.
- (3) Ms. McKenzie became Chair of the Board following the Company's annual general meeting on April 22, 2024 and her fees have been pro-rated.
- (4) Ms. Alderson became Chair of the Audit Committee on April 22, 2024 following the Company's annual general meeting and her fees have been pro-rated. Mr. Steeves is the Chair of the Reserves Committee and Ms. Gavan is the Chair of the GC Committee.
- (5) Ms. Bellegarde and Messrs. Estey and Zawalsky did not stand for re-election at the annual general meeting on April 22, 2024.



## DIRECTOR OUTSTANDING SHARE-BASED AWARDS

The following table sets forth, for each director, except for Mr. Phillips, all share-based awards that were outstanding as of December 31, 2024. Mr. Phillips is not included in the following table as he did not receive any compensation for serving as a director of the Company. No option-based awards have been granted to any directors of the Company.

Name	Share-based awards		
	Number of DSUs that have not vested <sup>(1)</sup>	Market value of DSUs that have not vested <sup>(1)</sup>	Market value of vested DSUs not paid out <sup>(2)(3)</sup>
	(#)	\$	\$
Margaret A. McKenzie	-	-	1,912,600
Anna M. Alderson	-	-	145,100
Anuroop S. Duggal	-	-	354,500
P. Jane Gavan	-	-	1,809,300
Glenn A. McNamara	-	-	210,100
Sheldon B. Steeves	-	-	2,113,500

Notes:

- (1) All DSUs awarded under the DSU Plan during 2024 and prior years vested immediately on grant.
- (2) Represents the share price of the Common Shares on the TSX on December 31, 2024 being \$28.03, multiplied by the number of DSUs, including dividend equivalents.
- (3) Messrs. Estey and Zawalsky did not stand for re-election at the April 22, 2024 annual general meeting. At December 31, 2024, Mr. Estey had outstanding DSUs with a market value of \$5.0 million and Mr. Zawalsky had outstanding DSUs with a market value of \$2.2 million. Market value is based on the share price of the Common Shares on the TSX on December 31, 2024 being \$28.03, multiplied by the number of outstanding DSUs, including dividend equivalents.

## DIRECTOR SHARE-BASED AWARDS — VALUE VESTED OR EARNED

The following table sets forth for each director, except for Mr. Phillips as he did not receive any compensation for serving as a director of the Company, the value of share-based awards which vested during the year ended December 31, 2024. No option-based awards have been granted to the directors of the Company.

Name	Share-based awards – Value vested during the year <sup>(1)(2)</sup> (\$)
Margaret A. McKenzie	309,300
Anna M. Alderson	122,500
Anuroop S. Duggal	195,900
P. Jane Gavan	208,200
Glenn A. McNamara	195,900
Sheldon B. Steeves	122,500
James M. Estey <sup>(3)</sup>	114,400
Leanne M. Bellegarde <sup>(4)</sup>	-
Grant A. Zawalsky <sup>(3)</sup>	61,000

Notes:

- (1) Represents the number of DSUs granted during 2024, including dividend equivalents, multiplied by the December 31, 2024 closing price of the Common Shares on the TSX of \$28.03.
- (2) Ms. McKenzie, Mr. Duggal, Ms. Gavan, Mr. McNamara, Ms. Bellegarde, Mr. Estey and Mr. Zawalsky elected to receive the entirety of their 2024 annual Board and committee chair retainers in the form of DSUs. Ms. Alderson and Mr. Steeves elected to receive the entirety of their Board and committee chair retainers of \$70,400 and \$70,000 respectively, in cash.
- (3) Messrs. Estey and Zawalsky did not stand for re-election at the April 22, 2024 annual general meeting and have until December 15, 2025 to elect to redeem all outstanding DSUs.
- (4) Ms. Bellegarde did not stand for re-election at the April 22, 2024 annual general meeting. As per the terms of the DSU Plan, Ms. Bellegarde elected to redeem all outstanding DSUs for an aggregate value of \$750,500 of which \$186,000 related to her 2024 annual Board retainer.



## DIRECTORS AND OFFICERS INSURANCE AND INDEMNIFICATION

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The Company maintains liability insurance for its directors and officers with coverage and terms that are customary for a company of its size in the industry in which it operates. The policies provide coverage to the Company's directors and officers for any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission, or act in discharging their duties, individually or collectively. The Company is also insured under the policies in the event it is permitted or required by law to indemnify individual directors and officers. The policies which provide coverage in the amount of \$60 million for the 12-month period ended May 29, 2025, are subject to certain exclusions. The deductible amount on the policies is \$500,000 and the total annual premium for the 2024/2025 policies is \$212,000.

In addition, the Company has entered into indemnification agreements with its directors and officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and officers, if the indemnitees acted honestly and in good faith with a view to the best interests of the Company and, with respect to criminal or administrative actions or proceedings that are enforced by monetary penalty, if the indemnitee had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Company.

## INCENTIVE AWARD PROGRAMS

### INCENTIVE PLANS

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The Original Incentive Plan was adopted in 2014 and provided for the grant of restricted share units ("RSUs") and performance share units ("PSUs") and together with RSUs, the "share unit awards") to employees, including management. Directors were not eligible to participate in the Original Incentive Plan.

The Original Incentive Plan allowed the Company to settle share unit awards with Common Shares, subject to certain exceptions. **As at December 31, 2024, nil Common Shares were issuable pursuant to outstanding share unit awards under the Original Incentive Plan as all PSUs and RSUs issued under the Original Incentive Plan have either vested or were forfeited.** See "*Securities Authorized for Issuance Under Equity Compensation Plans*".

In January 2021, the Company adopted the 2021 Incentive Plan and replaced the Original Incentive Plan for future grants of share unit awards. Any share unit awards granted prior to 2021 were granted under the Original Incentive Plan while all share unit awards granted thereafter were granted pursuant to the 2021 Incentive Plan. The 2021 Incentive Plan only allows for settlement of vested share unit awards in cash (as opposed to Common Shares) and therefore is not considered a "security-based compensation arrangement" or an "equity compensation plan". Directors are not eligible to participate in the 2021 Incentive Plan.

The Original Incentive Plan and 2021 Incentive Plan are collectively referred to as the "Incentive Plans". Copies of the Incentive Plans are available under the Company's SEDAR+ provide at [www.sedarplus.com](http://www.sedarplus.com) and on the Company's website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

The purpose of the 2021 Incentive Plan is to align the interests of the employees with those of shareholders and to assist the Company in attracting and retaining the talent it requires. The Board has delegated its authority to administer the Incentive Plans to the GC Committee (comprised of independent directors), which has authority to interpret the 2021 Incentive Plan, including any questions in respect of any share unit awards granted thereunder. The Board has the authority to amend or terminate the 2021 Incentive Plan at any time, in whole or in part, subject to certain exceptions. The share unit awards granted thereunder are not assignable.

Share unit awards initially have a notional value equivalent to the value of a Common Share. RSUs vest and are paid out no more than three years from the date of the grant, provided the recipient remains employed with the Company on such date, and subject to certain other events described below. No payment may be made upon settlement of the RSUs on a date



following the Outside Date (as defined below). Upon vesting, each RSU granted under the Original Incentive Plan will be paid out in cash or Common Shares at the election of the GC Committee and if paid in cash, will have a value equal to the five-day weighted average trading price for the Common Shares on the TSX immediately prior to the vesting date. If the GC Committee elects to pay out the RSUs granted under the Original Incentive Plan in Common Shares, the Company will issue the number of fully paid and non-assessable Common Shares underlying such share unit awards subject to adjustments for dividends (as described below) and other corporate actions.

Each RSU granted under the 2021 Incentive Plan will, upon vesting, be paid out in cash and will have a value equal to the five-day weighted average trading price for the Common Shares on the TSX immediately prior to the vesting date.

PSUs also vest and are paid out no more than three years after the date of the grant, provided the recipient remains employed with the Company on such date, and subject to certain other events described below. No payment may be made upon settlement of the PSUs on a date following the Outside Date. At the time of payout, the Board will apply a "payout multiplier" to the PSU grant which may increase or decrease the amount of the payout relative to the target award. The payout multiplier may range from zero to 2.0x and will be determined by the Board based on the Company's performance, relative to a performance target set at the time of grant, over the vesting period.

For grants of PSUs to the executive officers beginning in the 2019 calendar year, the Board adopted multiple performance measures for PSU payout multiplier calculations, while maintaining total shareholder return with a 50% weighting. The first of these grants (2019) vested in the first quarter of 2022 following the three-year performance period.

The PSUs granted to the CEO and CFO under the Original Incentive Plan in 2020 were applied a payout multiplier, upon vesting in January 2023 following a three-year performance period, based on: (i) 50% on total shareholder return as compared against the applicable Compensation Market; and (ii) 50% on a corporate scorecard including measurable performance compared to strategic plans approved by the GC Committee. The Company's strategic plan is designed to create value for shareholders over the long term. The GC Committee and the Board believe measurement of the executive officers' achievements against these plans should form an integral component of long-term executive compensation. Calculation of performance is done annually, along with rationale for each measure, and reported at the end of the three-year performance period given that the Company does not provide guidance or financial/operational forecasts.

Under no instances will the payout multiplier exceed 2.0x. Upon vesting, each PSU granted under the Original Incentive Plan was paid out in cash or Common Shares and if paid in cash had a value equal to the five-day weighted average trading price on the TSX for the Common Shares immediately prior to the vesting date, as adjusted for the payout multiplier. If the GC Committee elected to pay out the PSUs in Common Shares, which it never did, the Company would issue the number of fully paid and non-assessable Common Shares underlying such share unit awards subject to adjustments for dividends and other corporate actions.

Each PSU granted under the 2021 Incentive Plan will be paid out in cash with a value equal to the five-day weighted average trading price on the TSX for the Common Shares immediately prior to the vesting date, as adjusted for the payout multiplier. PSU grants in 2022 vested in January 2025 and received a payout multiplier of 1.8167x which reflects first quartile performance measured against the 2022 Compensation Market and top quartile performance against other measured Company targets and objectives contained in the Corporate Scorecard. See "*Compensation Discussion and Analysis – Executive Compensation – Components of Compensation – Long-term Incentive Program*" and "*Compensation Discussion and Analysis – Executive Compensation – 2022 PSU Grants Vesting January 2025 - Three Year Performance Measurement Scorecard (2022-2024)*".

Payouts of vested share unit awards will also include consideration for dividends paid on the Common Shares over the vesting period by notionally reinvesting the dividends in the share unit awards. All share unit awards which do not vest will be forfeited and cancelled.

The 2021 Incentive Plan provides that the aggregate number of notional Common Shares represented by granted incentive awards (together with any Common Shares reserved for issuance under any security-based compensation arrangements adopted by the Company) shall not exceed 2% of the issued and outstanding Common Shares.



The 2021 Incentive Plan provides for the extension of the payment date of a share unit award, where the payment date for such award occurs during, or within 10 business days of the end of a Company-imposed trading blackout applicable to the relevant participant. In such cases, the payment date shall be extended to the 10<sup>th</sup> business day after the expiry of the blackout period provided that in any case; such payment date cannot be later than December 31 in the third calendar year after which such share unit award was granted (the "**Outside Date**").

Pursuant to the terms of the 2021 Incentive Plan, the Board may, at any time, without the approval of the shareholders suspend, discontinue or amend the 2021 Incentive Plan or a share unit award made thereunder, provided that, unless a holder of share unit awards agrees, the Board may not suspend, discontinue or amend the 2021 Incentive Plan or amend any outstanding share unit award in a manner that would adversely alter or impair any share unit award previously granted to a grantee under the 2021 Incentive Plan, and any such suspension, discontinuance or amendment of the 2021 Incentive Plan or amendment to a share unit award shall apply only in respect of share unit awards granted on or after the date of such suspension, discontinuance or amendment.

Under the 2021 Incentive Plan, in case of an employee's retirement, death or disability, the Company will make a payment to such employee or his or her legal representatives in respect of share unit awards held by the employee equal to the target amount of any such share unit awards at the date of grant. In addition, if an employee's employment is terminated by reason of voluntary resignation or for just cause, all awards granted to such employee under the Incentive Plans will be terminated and all rights to receive payments thereunder will be forfeited by the employee. If an employee's employment is terminated by the Company without just cause, the employee will only be entitled to payments in respect to such share unit awards for which the vesting date occurs prior to the termination date of employment. These provisions are subject to any alternative arrangements that may be contained in a separate grant agreement or employment agreement between the Company and a particular employee. See "*Compensation Discussion and Analysis – Executive Compensation – Compensation Tables – Termination and Change of Control Benefits*".

If the Company completes a change of control transaction, and as a result of such transaction the holders of Common Shares receive securities of the continuing entity (replacement securities) in full substitution or replacement for the Common Shares, all share unit awards will remain outstanding with appropriate adjustments made to (i) the number of replacement securities notionally underlying the share unit awards held by each holder, and (ii) dividends paid on the Common Shares (as replaced by the replacement securities) during the term of such share unit awards, in each case to appropriately account for, and provide economic equivalence based on, the exchange ratio of replacement securities issued for Common Shares. In addition, following any transaction where the share unit awards remain outstanding, the minimum payout multiplier applicable to those share unit awards upon vesting will be 1.0x. However, if: (i) the continuing entity does not (or, upon the occurrence of the transaction, will not) substitute or replace, or the nature of the transaction does not provide for the full substitution or replacement of, the Common Shares with replacement securities on the above described terms; (ii) the Board determines, acting reasonably, that such substitution or replacement is not practicable or does not substantially preserve the rights of the holders of share unit awards; (iii) the Board determines, acting reasonably, that such substitution or replacement would give rise to adverse tax results to holders of share unit awards; or (iv) the replacement securities are not (or, upon the occurrence of the transaction, will not be) listed and posted for trading on a recognizable stock exchange; then the holder will receive a cash payment in respect of all outstanding share unit awards in respect of which payment has not been made (whether or not otherwise vested or payable), conditional upon the transaction being completed. Such cash payment will be based on the market value of the Common Shares on the effective date of the transaction and, in the case of PSUs, be adjusted for the payout multiplier factor based on the performance period ended on the effective date of the transaction, and, in the case of PSUs and RSUs, taking into account dividends declared by the Company up to the effective date of the transaction.

During the 2024 calendar year, PSUs and RSUs granted to the NEOs represented 75% and 0%, respectively, of the grant date value of their annual long-term incentives grant. The RSUs granted to the Vice President, Geosciences and Capital Markets represented a one-time grant upon joining PrairieSky. The grant date value of PSUs and RSUs granted to the Named Executive Officers in fiscal 2024 is included under the "*Share-Based Awards*" column in the "*Summary Compensation Table*" starting on page 55.



## OFFICER DEFERRED SHARE UNIT PLAN (ODSU PLAN)

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The Company adopted the ODSU Plan effective November 29, 2019, a copy of which is available on the Company's website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance). Pursuant to the ODSU Plan, the Board may grant ODSUs to officers from time to time and the GC Committee may determine the vesting schedule of the ODSUs (if any). The purpose of the ODSU Plan is to assist the Company in attracting and retaining individuals with experience and ability to act as officers and employees of the Company and to promote a proprietary interest in the Company and a greater alignment of interests between officers and the shareholders.

Upon a grant of ODSUs, an officer's account will be credited with notional ODSUs. When a cash dividend is paid on Common Shares, if any, each officer's ODSU account will be allocated additional ODSUs calculated by dividing: (i) the value of dividends that would have been paid to such officer if the ODSUs recorded in his or her account had been Common Shares; by (ii) the closing price of the Common Shares on the TSX on the date immediately prior to the date the cash dividend is paid. Where the date on which the dividends are deemed to be paid on the ODSU falls within a Blackout Period (as defined in the ODSU Plan), then the deemed dividend payment date shall automatically occur and be effective on the second Trading Day (as defined in the ODSU Plan) immediately following the end of such Blackout Period.

The ODSUs granted under the ODSU Plan may be redeemed by the officer for a lump sum cash payment following the later of: (i) the date the officer ceased to actively perform active day-to-day duties; and (ii) the end of the notice period applicable to the officer's termination of employment (the "**Officer's Termination Date**"). In the case of an officer whose employment ceases for any other reason than Just Cause (as defined in the ODSU Plan) or as a result of voluntary resignation (other than a bona fide retirement), all ODSUs will vest and the value of the ODSUs credited to the officer's account will be redeemable by the officer (or his or her estate, if the officer has died) following the Officer's Termination Date. In the case of an officer whose employment has been terminated for Just Cause or who has voluntarily resigned (other than a bona fide retirement), the value of all vested ODSUs credited to the officer's account will be redeemable following the Officer's Termination Date, but no unvested ODSUs will be redeemable. Upon a Change of Control (as defined in the ODSU Plan), all ODSUs credited to an officer's account will vest.

Following an Officer's Termination Date, the former officer will be entitled to redeem his or her ODSUs for a lump sum cash payment equal to the value calculated by multiplying the closing price of the Common Shares on the TSX (or any such stock exchange on which the Common Shares are then listed) on the date immediately prior to the date on which the officer provides written notice of redemption to the Company by the number of ODSUs in the former officer's account, net of applicable withholdings. There is no ability for the Company to settle any redeemed ODSUs in Common Shares of the Company. If the former officer does not redeem his or her vested ODSUs within fifteen business days following the Officer's Termination Date, the ODSUs shall be automatically redeemed on the fifteenth business day following the Officer's Termination Date. The Company may defer the payment of the cash lump sum to a date no later than December 31 of the first calendar year following the Officer's Termination Date, notwithstanding any notice of redemption by the officer. The foregoing deferral payment option does not apply following a Change of Control.

An aggregate of 54,233 ODSUs were granted on January 1, 2024, all of which were granted to the CEO, CFO and CCO. An additional 2,163 were granted to the Vice President, Geosciences and Capital Markets on January 29, 2024 upon joining PrairieSky. The ODSU grants represented 25% of the NEO's long-term incentive awards for 2024. See "*Compensation Discussion and Analysis – Executive Compensation – Components of Compensation – Long-term Incentive Program*".

## OPTION PLAN

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The Company had adopted an amended and restated Stock Option Plan (the "**Option Plan**") for its employees, including management, a copy of which is available under the Company's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com) and the Company's website at [www.prairiesky.com/governance](http://www.prairiesky.com/governance).

The Option Plan provided for options to purchase Common Shares ("**Options**") to be granted from time to time to eligible employees. Directors were not eligible to participate in the Option Plan. Pursuant to the Option Plan, the maximum number of Common Shares that could be issued pursuant to the exercise of Options granted under the Option Plan was limited, in the



aggregate, to 5% of the issued and outstanding Common Shares (on a non-diluted basis) at any time, less the number of Common Shares reserved for issuance at such time pursuant to any other security-based compensation arrangement of the Company (including the Original Incentive Plan).

Under the Option Plan, the Board had the power to determine the time or times when Options were granted, vested and became exercisable. The Option Plan provided that the expiry date of an Option would be no more than the date which is five years from the date of grant of such Option. Although not prescribed in the Option Plan, except in certain circumstances, the Board provided for gradual vesting periods for each grant of Options, in proportions determined by the Board, with the first portion vesting on the date that is one year after the date of grant, another portion vesting on the second anniversary of the date of grant and a final portion vesting on the third anniversary of the date of grant. The exercise price of an Option must be no less than the closing price of the Common Shares on the TSX on the last business day preceding the date on which the Option is approved by the Board (or where the approval occurs during a blackout period, the 10th business day after the expiry of the blackout period). Additionally, the Option Plan contained a "cashless exercise" feature.

Pursuant to the Option Plan, the maximum number of Common Shares that could be issued to insiders of the Company under the Option Plan was 5% of the total issued and outstanding Common Shares (calculated on a non-diluted basis) at the date of grant, less the aggregate number of Common Shares reserved for issuance to insiders under any other security-based compensation arrangement of the Company (the "**Aggregate Insider Option Limit**"). The maximum number of Common Shares that could be issued to any individual holder under the Option Plan was 5% of the number of issued and outstanding Common Shares (calculated on a non-diluted basis) at the date of grant, less the aggregate number of Common Shares reserved for issuance to such holder under any other security-based compensation arrangement of the Company (the "**Individual Option Limit**"). In addition, the maximum number of Common Shares that could be issued to any one insider of the Company under the Option Plan within a one year period was the Individual Option Limit, excluding Common Shares issued to the insider under the Option Plan or any other security-based compensation arrangement during the preceding one year period and the maximum number of Common Shares that could be issued to insiders of the Company under the Option Plan within a one year period was the Aggregate Insider Option Limit, excluding Common Shares issued to insiders of the Company under the Option Plan or any other security-based compensation arrangement during the preceding one year period.

**The Company did not grant any Options in years after 2020 and the GC Committee and the Board do not expect to grant any further Options under the Option Plan. To the extent that any Options are granted in the future, such Options would not be exercisable until such time as the Company obtained shareholder approval for such grants in accordance with the policies of the TSX. As of December 31, 2024, the Company had nil outstanding Options.**

## OTHER INFORMATION

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company no longer has any Common Shares authorized for issuance under the Option Plan or the Original Incentive Plan as the Company did not seek approval of any unallocated Options or share unit awards under the Option Plan and Original Incentive Plan in 2020 and 2021, respectively, in accordance with the policies of the TSX. The GC Committee and the Board currently have no intention of granting Options under the Option Plan or share unit awards under the Original Incentive Plan in the future.

#### ANNUAL BURN RATE UNDER EQUITY COMPENSATION PLANS

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The Company no longer has any dilutive instruments outstanding. Beginning in 2021, all long-term incentive awards granted by the Company are in non-dilutive instruments. All historical and potentially dilutive Options, RSUs and PSUs have vested, expired or were cancelled. The Company has nil dilutive instruments outstanding.



For further information regarding the outstanding share unit awards held by the NEOs, see "Compensation Discussion and Analysis – Executive Compensation – Compensation Tables – Outstanding Option-Based and Share-Based Awards" and "Compensation Discussion and Analysis – Executive Compensation – Compensation Tables – Option-Based Awards, Share-Based Awards and Non-Equity Compensation – Value Vested or Earned in 2024".

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any Informed Person of the Company (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) or proposed director or any known associate or affiliate of such persons, in any transaction since the commencement of our last completed financial year or in any proposed transaction that has materially affected or would materially affect us or any of our subsidiaries.

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

Management of the Company is not aware of any material interest of any director or executive officer or anyone who has held office as such since the beginning of our last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the meeting, save as is disclosed herein.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements and information contained in this information circular and proxy statement relate to matters that are not historical facts and may constitute forward-looking statements. These statements are identified by the use of words such as "could", "should", "anticipate", "expect", "will", "may" and similar expressions and statements, and include, but are not limited to, statements relating to the Company's anticipated compensation strategy and objectives, as well as statements contained in the Message to Shareholders on page 5 and the Letter of Introduction from the Board Chair and GC Committee Chair beginning on page 36 in this information circular and proxy statement. These statements are based on certain assumptions and analysis made by PrairieSky in light of its experience and its perception of historical trends and expected future developments as well as other factors it believes are appropriate in the circumstances. Whether actual results, performance or achievements will conform to PrairieSky's expectations is subject to a number of known and unknown risks and uncertainties which could cause actual results to differ materially from PrairieSky's expectations.

By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond our control, including the impact of general economic conditions, industry conditions including ongoing trade negotiations in North America and globally, volatility of commodity prices, currency fluctuations, imprecision of reserve estimates, royalties, environmental risks, taxation, regulation, changes in tax or other legislation, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility, and our ability to access sufficient capital from internal and external sources. The foregoing and other risks are described in more detail in PrairieSky's management's discussion and analysis for the year ended December 31, 2024 and the AIF under the heading "Risk Management" and "Risk Factors", respectively, each of which is available under the Company's SEDAR+ profile at [www.sedarplus.com](http://www.sedarplus.com).

**Further, any forward-looking statement is made only as of the date of this information circular and proxy statement, and PrairieSky undertakes no obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as required by applicable securities laws. New factors emerge from time to time and it is not possible for PrairieSky to predict all of these factors or to assess in advance the impact of each such factor on PrairieSky's business**



**or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.**

**The forward-looking statements contained in this information circular and proxy statement are expressly qualified by this cautionary statement.**

## **ADDITIONAL INFORMATION**

PrairieSky undertakes to provide, upon request, a copy of the year end 2024 audited annual consolidated financial statements and management's discussion and analysis, as well as a copy of the AIF, subsequent interim consolidated financial statements and this information circular and proxy statement. The AIF also contains disclosure relating to our Audit Committee and the fees paid to KPMG LLP in 2024 and 2023. Copies of these documents may be obtained on request without charge from PrairieSky Royalty Ltd. at 1700, 350 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 3N9, telephone (587) 293-4000 or our website [www.prairiesky.com](http://www.prairiesky.com) or by accessing the disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR+ at [www.sedarplus.com](http://www.sedarplus.com)) website.

Information contained in or otherwise accessible through the Company's website at [www.prairiesky.com](http://www.prairiesky.com) does not form a part of this information circular and proxy statement and is not incorporated into this information circular and proxy statement by reference, including, for certainty and without limitation, PrairieSky's Sustainability Reports for the years 2021-2023, Task Force on Climate-Related Financial Disclosures Reports, as well as the 2024 CDP Corporate Questionnaire which are available on the Company's website at [www.prairiesky.com](http://www.prairiesky.com), each of which are referred to in this information circular and proxy statement.

Reference is made in this information circular and proxy statement to certain third-party industry sources and their websites. Information contained in or otherwise accessible through such websites does not form a part of this information circular and proxy statement and is not incorporated by reference into this information circular and proxy statement by reference.

## **OTHER MATTERS**

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of annual meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

The contents and the sending of this information circular and proxy statement have been approved by the Board.

Dated: February 28, 2025



# APPENDIX "A"

## PrairieSky Royalty Ltd.

### Board of Directors' Mandate

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The fundamental responsibility of the board of directors (the "**Board**") of PrairieSky Royalty Ltd. ("**PrairieSky**" or the "**Company**") is to appoint a competent senior management team and to oversee the management of the business and affairs of the Company, with a view to maximizing shareholder value and ensuring corporate conduct in an ethical and legal manner via an appropriate system of corporate governance and internal controls.

In carrying out its mandate, the Board shall:

### Senior Management Responsibility

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- Appoint the President & Chief Executive Officer ("**CEO**") and members of senior management of the Company, approve their compensation, and monitor the CEO's performance against a set of mutually agreed corporate objectives directed at benefitting all stakeholders and ensuring the long-term sustainability of the Company.
- In conjunction with the CEO, develop a clear mandate for the CEO, which includes a delineation of senior management's responsibilities.
- Ensure that a process is established that adequately provides for succession planning, including appointing, training and monitoring of senior management.
- Establish limits of authority delegated to senior management.

### Operational Effectiveness and Reporting

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- Annual review and adoption of a strategic planning process and approval of the corporate strategic plan, which takes into account, among other things, the opportunities and risks of the Company's business.
- Ensure that a system is in place to identify the principal risks to the Company and that the best practical procedures are implemented to monitor, manage and mitigate the risks.
- Ensure that processes are in place to address applicable regulatory, corporate, securities and other compliance matters.
- Ensure that processes are in place for the Company to monitor the effectiveness of the Company's governance practices, environmental policies, health and safety practices and social practices, and address impacts that may arise or result from the Company's activities.
- Ensure that an adequate system of internal controls and management information systems exists.
- Ensure that due diligence processes and appropriate controls are in place with respect to applicable certification requirements regarding the Company's financial, reserves and other disclosure.
- Upon recommendation of the Audit Committee of the Board, review and approve the Company's financial statements and oversee the Company's compliance with applicable audit, accounting and reporting requirements.



- Upon recommendation of the Reserves Committee of the Board, review and approve the content and filing of the annual disclosure of the Company's oil and gas activities, including reports and statements required under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* (as implemented by the Canadian Securities Administrators and as amended from time to time).
- Approve annual budgets.
- Review and consider for approval all amendments or departures proposed by senior management from established strategy, budgets or matters of policy which diverge from the ordinary course of business of the Company.
- Review the financial performance results relative to established strategy, budgets and objectives.
- Review management reports with respect to the Company's principal risks, including but not limited to risks related to the environment, health and safety and social matters, including political and legal ramifications in addition to reputational consequences.
- Review and evaluate the Company's risk management framework and related processes created by management, including the formalized enterprise risk management program at least annually.

### Integrity/Corporate Conduct

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- Approve 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 the Business Code of Conduct that is applicable to directors, officers, employees and contractors of the Company, monitor the Company's compliance with the Business Code of Conduct and approve any waivers of the Business Code of Conduct for officers and directors.
- Satisfy itself of the integrity of the CEO and the other members of senior management and that the CEO and other members of senior management create a culture of integrity throughout the organization.
- Oversee and monitor the effectiveness of the Company's strategies and policies pertaining to the environment, social practices, health and safety, sustainable business practices and other corporate responsibility performance.

### Board Process/Effectiveness

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- Ensure that Board materials are distributed to directors in advance of regularly scheduled meetings to allow for sufficient review of the materials prior to such meetings. Directors are expected to attend all meetings and to review Board materials in advance of each meeting.
- Engage in the process of determining Board member qualifications, with the assistance of the Governance and Compensation Committee, including setting reasonable and measurable targets to build a diverse Board, as contemplated by the Company's *Board Diversity Policy*, and ensuring that a majority of directors qualify as independent directors within the meaning attributed to such term in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (as implemented by the Canadian Securities Administrators and as amended from time to time).
- 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, as well as developing a set of corporate governance principles and guidelines.
- 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 Audit Committee Mandate 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 accurately reflects the responsibilities and risks involved in being a director.
- Each member of the Board is expected to understand the nature of the Company's business, and have an awareness of the political, economic and social trends prevailing in the areas in which the Company invests, or is contemplating potential investment, including but not limited to trends related to environmental, social and governance matters which are relevant to PrairieSky's shareholders.
- Independent directors shall meet regularly, and in no case less frequently than quarterly, without non-independent directors and management participation.
- In addition to the above, adhere to all other Board responsibilities as set forth in the Company's articles and by-laws, the Company's Business Code of Conduct and any related policies, practices and guidelines, as approved and implemented by the Board and senior management from time to time, and other statutory and regulatory obligations.

### Miscellaneous

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The Board may engage outside resources as deemed advisable.

The Board shall review this mandate on a periodic basis.

Effective: April 11, 2014, amended and restated February 10, 2025.