



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) in the capital of Kiwetinohk Energy Corp. (the “**Corporation**”) is to be held at Livingston Place, 222 – 3<sup>rd</sup> Avenue S.W., South Tower, Plus 15 Level, Rooms A and B on Thursday, June 16, 2022 at 9:00 a.m. (Calgary time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2021 and the independent auditors’ report thereon;
2. to elect the directors of the Corporation;
3. to appoint Deloitte LLP, Chartered Professional Accountants, as auditor of the Corporation for the ensuing year;
4. to consider and, if thought fit, confirm certain amendments to the bylaws of the Corporation;
5. to consider and, if thought fit, approve a special resolution authorizing the board of directors of the Corporation (the “**Board**”) to amend the articles of the Corporation to change the name of the Corporation to such name as the Board may determine and as may be acceptable to applicable regulatory authorities;
6. to consider and, if thought fit, approve a special resolution amending the articles of the Corporation to create a class of an unlimited number of preferred shares, issuable in series, with the rights and restrictions of each series to be determined by the directors of the Corporation; and
7. to transact any other business as may properly come before the Meeting and any adjournment(s) or postponement(s) of the Meeting.

Dated at Calgary, Alberta this 11th day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
KIWETINOHK ENERGY CORP.**

*(signed)* “Kevin Brown”  
Chair of the Board

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# MANAGEMENT INFORMATION CIRCULAR

## GENERAL INFORMATION

### Meeting Date and Time

Kiwetinohk Energy Corp. (the “**Corporation**” or “**Kiwetinohk**”) will be holding an annual and special meeting (the “**Meeting**”) of holders (“**Shareholders**”) of its common shares (“**Common Shares**”) on Thursday, June 16, 2022 at 9:00 a.m. (Calgary time) at Livingston Place, 222 – 3<sup>rd</sup> Avenue S.W., South Tower, Plus 15 Level, Rooms A and B.

### Date of Information

Information in this management information circular (“**Information Circular**”) is given as of May 11, 2022 unless otherwise noted.

### Voting Shares and Principal Holders

As at May 11, 2022, there were 44,111,135 Common Shares<sup>1</sup> issued and outstanding. The Common Shares trade under the symbol “KEC” on the Toronto Stock Exchange (“**TSX**”).

To the knowledge of the directors and officers of Kiwetinohk, as of May 11, 2022, no person or company beneficially owns or exercises control or direction over, directly or indirectly, more than 10% of the voting rights attached to all of the outstanding Common Shares, other than as set forth below:

<b>Name</b>	<b>Number of Common Shares<sup>(4)</sup></b>	<b>Percentage of Common Shares</b>
ARC <sup>(1)(2)</sup>	27,504,624	62.3%
Luminus Energy IE Designated Activity Company <sup>(3)</sup>	5,202,334	11.8%

#### Notes:

- (1) “**ARC**” means ARC Equity Management (Fund 8) Ltd. (as the general partner of ARC Equity Management (Fund 8) Limited Partnership, as the general partner of ARC Energy Fund 8 Canadian Limited Partnership, ARC Energy Fund 8 United States Limited Partnership, ARC Energy Fund 8 International Limited Partnership and ARC Capital 8 Limited Partnership) and ARC Equity Management (Fund 9) Ltd. (as the general partner of ARC Energy Fund 9 Canadian Limited Partnership, ARC Energy Fund 9 United States Limited Partnership, ARC Energy Fund 9 International Limited Partnership and ARC Capital 9 Limited Partnership).
- (2) Such Common Shares are owned both of record and beneficially by ARC.
- (3) Such Common Shares are owned both of record and beneficially by Luminus Energy IE Designated Activity Company (“**Luminus**”).
- (4) Based on information publicly filed by the shareholder and/or the Corporation’s records.

### Additional Information

Additional information concerning Kiwetinohk, including Kiwetinohk’s consolidated comparative interim and annual financial statements and management’s discussion and analysis thereon, as well as Kiwetinohk’s 2021 annual information form, is available through the internet on the Canadian System for Electronic Document Analysis and Retrieval (“**SEDAR**”) which may be accessed at [www.sedar.com](http://www.sedar.com). This information may also be accessed on the Corporation’s website at [kiwetinohk.com](http://kiwetinohk.com). Financial information in respect of Kiwetinohk’s most recently completed financial year is contained in Kiwetinohk’s comparative annual financial statements and management’s discussion and analysis thereon.

<sup>1</sup> On September 22, 2021, in connection with the completion of the Business Combination (as defined herein), Kiwetinohk completed a consolidation of the Common Shares on a ten to one basis. All references to Common Shares, the issuance of Common Shares or the exercise or conversion price of any securities to acquire Common Shares in this Information Circular are presented on a post-Consolidation basis.

Upon request by a securityholder to Kiwetinohk at the address set out below, Kiwetinohk will provide to such securityholder, without charge, copies of Kiwetinohk's 2021 annual information form, consolidated comparative financial statements for fiscal 2021 together with the independent auditors' report and management's discussion and analysis thereon, interim financial statements for subsequent periods and this Information Circular.

### **Contact Information**

Head Office: Suite 1900, 250 – 2nd Street SW  
Calgary, Alberta, Canada  
T2P 0C1  
Attention: Senior Vice President, Business Systems  
Telephone: 587-392-4424  
Website: [www.kiwetinohk.com](http://www.kiwetinohk.com)

## **VOTING AND PARTICIPATION INFORMATION**

### **General Voting Information**

#### ***Proxy Solicitation***

Proxies are being solicited by management of Kiwetinohk to be used at the Meeting, or any adjournment(s) or postponement(s) of the Meeting. Solicitations will be primarily by mail but may also be by newspaper publication, in person or by telephone, electronic transmission or communication by directors, officers, employees or agents of Kiwetinohk. All costs of the solicitation will be paid by Kiwetinohk.

#### ***Who is Entitled to Vote***

If you are a registered holder of Common Shares at the close of business on May 5, 2022 (the "**Record Date**"), you are entitled to receive notice of and vote at the Meeting. You will be entitled to vote all of the Common Shares that you held on the Record Date at the Meeting.

When Common Shares are held jointly by two or more persons, those shares may be voted at the Meeting (either in person or by proxy) by any one of those holders, or, alternatively, by all such holders jointly. Each Common Share is entitled to one vote.

#### ***Quorum***

Quorum for the Meeting will be at least two individuals present in person, being Shareholders or proxyholders entitled to vote at the Meeting, who own or represent Common Shares having not less than 25% of the votes entitled to be cast at the Meeting.

#### ***Proxy Voting***

You can indicate on your proxy how you want your proxyholder to vote your Common Shares or you can let your proxyholder decide for you. If you specify how you want your Common Shares voted, then your proxyholder must vote in accordance with your instructions. In the absence of specific instructions, your proxyholder can vote your Common Shares as he or she sees fit. **If you appoint Kevin Brown, the Corporation's Board Chair, of Calgary, Alberta or failing him, Patrick Carlson, the Corporation's CEO, also of Calgary, Alberta, and do not specify how you want your Common Shares to be voted, your Common Shares will be voted as follows:**

Election of each management nominee as a director	FOR
Appointment of auditors	FOR
Confirmation of amendments to the bylaws of the Corporation	FOR
Name Change	FOR
Addition of preferred shares to authorized share capital	FOR

The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested.

### ***Amendments or Other Matters***

At the time of printing this Information Circular, Kiwetinohk's management does not know of any matter that may come before the Meeting other than the matters referred to above or of any potential amendment to, or variation of, these matters. If any other matters or any amendments to, or variations of, the above matters do properly come before the Meeting, your proxyholder will vote on them using his or her best judgment.

### ***Shareholder Proposals***

The *Canada Business Corporations Act* ("**CBCA**") permits eligible Shareholders to submit shareholder proposals for consideration at each annual meeting of Shareholders. The date for submission of proposals by Shareholders to the Corporation for inclusion in the Information Circular in connection with the 2023 annual meeting of Shareholders is between January 17 to March 18, 2023, being the date that is between 90 to 150 days before the anniversary of the last annual Shareholder meeting. All proposals must be sent by registered mail to:

Kiwetinohk Energy Corp.  
 Attn: Senior Vice President, Business Systems  
 Suite 1900, 250 – 2nd Street SW  
 Calgary, Alberta, Canada T2P 0C1

### **Registered Shareholder Voting**

If your Common Shares are held in your name and you have a share certificate you are a registered Shareholder. You may vote in person at the Meeting, by proxy, by telephone, or by internet. For further instructions, see the enclosed form of proxy.

### ***Voting in Person***

If you plan to attend the Meeting and vote your Common Shares in person, do not complete the enclosed proxy form. When you arrive at the Meeting, register with Kiwetinohk's transfer agent, Computershare Trust Company of Canada, and your vote at the Meeting will be counted.

### ***Voting by Proxy***

Registered Shareholders may vote their Common Shares by proxy delivered by mail or by proxy delivered by telephone or the internet in accordance with the instructions contained in the enclosed proxy.

If you choose to vote by proxy delivered by mail, you may use the enclosed proxy or complete another proper instrument of proxy. In either case, you must deliver the completed and executed proxy to either:

- (a) the registered office of the Corporation at Suite 1900, 250 – 2nd Street SW, Calgary, Alberta, T2P 0C1, Attention: Senior Vice President, Business Systems; or
- (b) the Corporation's transfer agent, Attention of the Proxy Department of Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1;

no later than 9:00 a.m. (Calgary time) on June 14, 2022 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding weekends and holidays) before the time set for the Meeting to resume (the "**Proxy Deposit Deadline**"). If you choose to vote by proxy delivered by telephone or the internet, you must do so by the Proxy Deposit Deadline. **The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.** If you have voted by proxy, you may not vote in person at the Meeting unless you revoke your proxy.

### ***Revoking your Proxy***

You may revoke your proxy any time before it is acted upon by:

- (a) signing a new proxy bearing a later date and delivering it to Kiwetinohk's registered office or to Kiwetinohk's transfer agent, Computershare Trust Company of Canada, at either of the above addresses at least 48 hours (excluding weekends and holidays) prior to the commencement of the Meeting or any adjournment or postponement of the Meeting;
- (b) depositing written notice of revocation at Kiwetinohk's registered office or to Kiwetinohk's transfer agent, Computershare Trust Company of Canada, at either of the above addresses at any time prior to the Meeting or any adjournment or postponement thereof, or delivering it to the Chair of the Meeting at the Meeting; or
- (c) attending and voting at the Meeting.

### ***How to Appoint a Proxyholder to Participate in the Meeting***

The persons named in the enclosed proxy are directors and/or senior officers of Kiwetinohk. **You may appoint some other person to be your proxyholder at the Meeting by inserting that person's name in the blank space provided in the enclosed form of proxy or by completing another proper instrument of proxy.**

### **Beneficial Shareholder Voting**

If your Common Shares are held in the name of a nominee or intermediary (i.e., deposited with a securities broker, bank or other institution) you are a beneficial Shareholder. You may vote in person at the Meeting as proxy for the registered holder of your Common Shares or provide voting instructions to the registered holder of your Common Shares via mail, telephone or internet. For further instructions, see the voting instruction or proxy form provided to you.

### ***Voting in Person***

If you plan to attend the Meeting and vote your Common Shares in person as proxyholder for the registered holder of your Common Shares, insert your name on the voting instruction or proxy form provided to you and follow the applicable instructions on that form. When you arrive at the Meeting, register with Kiwetinohk's transfer agent, Computershare Trust Company of Canada, and your vote at the Meeting will be counted, provided the proxy is in good order.

## ***Voting Instructions***

Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the registrar and transfer agent for Kiwetinohk as the registered holders of Common Shares can be recognized and acted upon at the Meeting. Beneficial Shareholders may vote by providing voting instructions to the registered holder of the Common Shares via mail, telephone or internet. For further instructions, see the voting instruction form provided to you by your nominee or intermediary.

Applicable regulatory policies require registered shareholders who hold their shares as nominees to seek (or have an intermediary seek on their behalf) voting instructions from their respective beneficial shareholders in advance of shareholders' meetings. Every nominee and intermediary has its own mailing procedures and provides its own voting and return instructions. The voting and return instructions for your applicable nominee or intermediary are set out in the voting instruction that they have provided to you. You must carefully follow the instructions on this form in order to ensure your Common Shares are voted at the Meeting. The vast majority of nominees delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). If your nominee has appointed Broadridge, you should have received a scannable voting instruction form from Broadridge, and you will need to either complete and return this form to Broadridge by mail, or alternatively, convey your voting instructions to them via the internet or by calling a toll-free telephone number as set out in the form. Broadridge will tabulate the results of all instructions that it receives and provide appropriate voting instructions to Computershare Trust Company of Canada for use at the Meeting. **A beneficial Shareholder must comply with the instructions on the voting instruction or proxy form provided to it well in advance of the Meeting in order to ensure their Common Shares can be voted at the Meeting.**

## **BUSINESS OF THE MEETING**

### **Financial Statements**

Kiwetinohk's consolidated financial statements as at and for the year ended December 31, 2021 and the auditors' report thereon have been mailed to registered Shareholders and will be placed before the Shareholders at the Meeting.

### **Election of Directors**

Kiwetinohk's articles provide that the Board of Directors (the "**Board**") shall consist of a minimum of three and a maximum of eleven directors. The Board has fixed the number of directors to be elected at the Meeting at nine, each of whom will serve until the next annual meeting of Shareholders or until their respective successors are elected or appointed. The nine nominees are:

- Kevin Brown
- Beth Reimer-Heck
- Judith Athaide
- Patrick Carlson
- Leland Corbett
- Nancy Lever
- Kaush Rakhit
- Steven Sinclair
- John Whelen

All director nominees have consented to being named in this Information Circular and to serve as directors if elected. Kiwetinohk's management does not contemplate that any of the director nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, your proxyholder has the right to use his or her discretion in voting for another nominee unless you have specified in your voting instruction or proxy form that he or she does not have such authority. The Corporation's articles permit the Board, between annual meetings of Shareholders, to appoint one or more additional directors (up to a



maximum of 1/3 of the number of directors who held office at the expiration of the last annual meeting of Shareholders).

Your proxyholder will vote FOR the election of each of these nominees as a director of Kiwetinohk unless you indicate in your voting instruction or proxy form that authority to do so is withheld in respect of one or more of the nominees.

### **Appointment of Auditors**

Unless you indicate in the enclosed voting instruction or proxy form that authority to vote for the re-appointment of the Corporation's current auditors is withheld, your proxyholder will vote FOR the re-appointment of Deloitte LLP, Chartered Professional Accountants, at their offices in Calgary, Alberta, as auditors of the Corporation to hold office until the next annual meeting of Shareholders. Deloitte LLP have been Kiwetinohk's auditors since 2018.

The information regarding Kiwetinohk's audit committee as required by section 5.1 of National Instrument 52-110 is set forth in Kiwetinohk's 2021 annual information form under the heading "Audit Committee Information" and in Appendix "C" thereto.

**In order for this resolution to be passed, it must be approved by a simple majority of the votes cast (50% plus one vote) by Shareholders in person or represented by proxy at the Meeting. Management recommends voting FOR the resolution.**

### **Approval of Amendments to the Bylaws of the Corporation**

The Corporation's bylaws previously provided that quorum for the transaction of business at a meeting of shareholders was established if there were one or more persons who in the aggregate hold or represent not less than 51% of the outstanding shares entitled to vote at such meeting, whether present in person or by proxy, since the Corporation was a closely held private company. On November 23, 2021, the Board approved amendments to the Corporation's bylaws, which amend Section 8.3 to provide that quorum for the transaction of business at any meeting of shareholders will be at least two persons entitled to vote at such meeting, whether present in person or represented by proxy, holding or representing not less than 25% of the outstanding shares entitled to vote at such meeting (the "**Bylaw Amendment**"). The Bylaw Amendment is intended to bring the quorum requirement for meetings of Shareholders in line with those more appropriate for a public company.

The Bylaw Amendment became effective upon being approved by the Board; however, under the CBCA, the Bylaw Amendment will cease to be effective unless confirmed by a resolution passed by a simple majority of the votes cast by Shareholders at the Meeting. Accordingly, at the Meeting, Shareholders will be asked to consider, and if thought advisable, pass the following ordinary resolution to confirm the Bylaw Amendment:

Be it resolved as an ordinary resolution that:

1. the amendments to the bylaws of the Corporation to change the quorum requirement for meetings of Shareholders from one person to two persons and from not less than 51% to not less than 25%, in the form adopted by the Board on November 23, 2021, be and are hereby confirmed;
2. all other provisions of the Corporation's current bylaws remain in full force and effect and unamended; and
3. any officer or director of the Corporation is authorized, in the name and on behalf of the Corporation, to do all such things and execute all such documents as may be necessary or advisable to implement this resolution.

**In order for this resolution to be passed, it must be approved by a simple majority of the votes cast (50% plus one vote) by Shareholders in person or represented by proxy at the Meeting. Management recommends voting FOR the resolution.**

A complete copy of the Corporation's bylaws are available under Kiwetinohk's profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on its website at [www.kiwetinohk.com](http://www.kiwetinohk.com).

### **Name Change**

At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve a special resolution authorizing the Board to amend the articles of the Corporation to change its name from "Kiwetinohk Energy Corp." to such other name as the Board may determine, at its sole discretion, and as may be acceptable to applicable regulatory authorities, including the TSX (the "**Name Change Resolution**"). If the Name Change Resolution is approved by the Shareholders, Articles of Amendment in the prescribed form may be filed with the Director under the CBCA at a future date, prior to the next annual meeting of Shareholders, if the Board determines that such change is in the best interests of the Corporation. The Board may, in its sole discretion, determine not to implement the name change without further notice to or action on the part of the Shareholders.

The following is the text of the Name Change Resolution to be considered at the Meeting:

Be it resolved as a special resolution that:

1. the Board be and is hereby authorized to amend the articles of the Corporation, at any time prior to the next annual meeting of shareholders of the Corporation, to change the name of the Corporation to such other name as the directors of the Corporation determine is appropriate and as may be acceptable to applicable regulatory authorities, including the Toronto Stock Exchange;
2. any officer or director of the Corporation is authorized, in the name and on behalf of the Corporation, to do all such things and execute all such documents, including without limitation, Articles of Amendment, and to do all such acts and things, including without limitation, delivering such Articles of Amendment to the Director under the CBCA, as may be necessary or advisable to implement this resolution; and
3. notwithstanding that this special resolution has been passed by the Shareholders, the Board is hereby authorized in its sole discretion and without further approval or action by or prior notice to Shareholders to decide not to proceed with the amendment to the Articles of the Corporation.

**In order for this special resolution to be passed, it must be approved by at least two-thirds (66 2/3%) of the votes cast by Shareholders in person or represented by proxy at the Meeting. Management recommends voting FOR the resolution.**

### **Addition of a Class of Preferred Shares to Kiwetinohk's Authorized Share Capital**

The Corporation's Articles currently authorize Kiwetinohk to issue an unlimited number of Common Shares. No preferred shares are currently authorized for issuance. At the Meeting, Shareholders will be asked to approve a special resolution authorizing the addition of a class of preferred shares ("**Preferred Shares**"), which shares would be unlimited in number and may be designated and issued in one or more series in the future, with such rights, preferences and privileges as determined by the Board, if and when issued, without further Shareholder action (the "**Preferred Shares Resolution**").

The Board believes the addition of a class of Preferred Shares to the Corporation's share capital is advisable and in the best interests of the Corporation in order to provide Kiwetinohk with the flexibility to consider and pursue capital raising and corporate opportunities requiring the issuance of Preferred Shares without the delay and expense associated with obtaining special Shareholder approval at the time if such an opportunity were to arise.

If the Preferred Shares Resolution is approved by the Shareholders, Articles of Amendment would need to be filed with the Director under the CBCA to add a class of Preferred Shares to the Corporation's share capital. The terms of the Preferred Shares will be substantially as set forth in Schedule "B" hereto. Once the Corporation's Articles are so amended, the Board will have the authority to approve the issuance of any number of Preferred Shares in one or more series at any time and from time to time, to determine the number of shares constituting any series, and to determine the voting powers, conversion rights, dividend rights, and other designations, preferences, limitations, restrictions and rights relating to such shares without any further prior approval of the Shareholders, but subject to applicable TSX approvals. Upon any such issuance, the designations, preferences, limitations, restrictions and rights of any series of Preferred Shares designated by the Board will be set forth in an amendment to the Articles and further Articles of Amendment of the Corporation will be filed in accordance with the CBCA.

While the Board may consider issuing Preferred Shares in the future, the Corporation currently has no agreements or understandings with any person to effect any such issuance, and the Corporation may never issue any Preferred Shares.

The following is the text of the Preferred Shares Resolution to be considered at the Meeting:

Be it resolved as a special resolution that:

1. the Board be and is hereby authorized to amend the articles of the Corporation to create a class of an unlimited number of Preferred Shares, issuable in series, with special rights and restrictions determined by the Board for each series, if and when issued, with the terms of such Preferred Shares to be substantially as set forth in Schedule "B" to the management information circular of the Corporation dated May 11, 2022;
2. any officer or director of the Corporation is authorized, in the name and on behalf of the Corporation, to do all such things and execute all such documents, including without limitation, Articles of Amendment, and to do all such acts and things, including without limitation, delivering such Articles of Amendment to the Director under the CBCA, as may be necessary or advisable to implement this resolution; and
3. notwithstanding that this special resolution has been passed by the Shareholders, the Board is hereby authorized in its sole discretion and without further approval or action by or prior notice to Shareholders to decide not to proceed with the amendment to the Articles of the Corporation.

**In order for this special resolution to be passed, it must be approved by at least two-thirds (66 2/3%) of the votes cast by Shareholders in person or represented by proxy at the Meeting. Management recommends voting FOR the resolution.**

#### **Other Matters to Be Acted Upon**

Management knows of no matters to come before the Meeting other than the matters referred to in the enclosed Notice of Annual General Meeting of Shareholders to which this Information Circular is attached. If any matters which are not known at the time of the Information Circular should properly come before the

Meeting, proxies will be voted on such matters in accordance with the best judgment of the person holding such proxy.

## NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

The following table provides information with respect to the nine director nominees.

Shareholders are entitled to vote for or withhold their vote for each nominee on an individual basis. The Board has adopted a majority voting policy which provides that if a director receives more “withhold” votes than “for” votes in an uncontested election of directors, that director must promptly tender his or her resignation. The Governance and Nominating Committee will consider such resignation and recommend to the Board whether or not to accept it. The Board shall act on such recommendation within 90 days following the applicable shareholders meeting (and will be required to accept the resignation absent exceptional circumstances).

<p><b>Kevin Brown</b> Calgary, Alberta, Canada Chair of the Board (Non-Independent) Director Since: December 2018</p>	<p>Kevin Brown is the Executive Chairman and Director of ARC Financial Corp. He has been with ARC Financial Corp. since it was founded in 1989 and has accumulated over 30 years of energy related finance, investment research, corporate strategy and direct investment experience. He currently represents ARC Financial Corp. on the board of KANATA Energy Group Ltd. (private). Mr. Brown has a Master of Economics and a Bachelor of Science in Chemical Engineering, both from the University of Alberta.</p>																				
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<p><b>Beth Reimer-Heck</b> Calgary, Alberta, Canada Lead Director (Independent) Director Since: September 2021</p>	<p>Beth Reimer-Heck is senior counsel at the law firm of Borden Ladner Gervais LLP. She has over 30 years of legal experience especially for companies and industries in transformative change including providing advice on risk and compliance, public policy, corporate, commercial and governance matters. She is also an advisory board member of Saskatchewan Mines and Minerals Inc. and a director of United Way of Calgary and Area.</p> <p>Ms. Reimer-Heck has a Bachelor of Laws from the University of Alberta and a Bachelor of Arts from the University of Calgary. She has been recognized professionally by being awarded the designation of Queens Counsel by the Province of Alberta and ICD.D. by Institute of Corporate Directors.</p>																				
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Sustainability Committee	1/1 (100%)																				

<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
Common Shares <sup>(1)</sup> : 5,000 - \$59,750	None
Options: 10,000	
Performance Warrants: 20,000	
DSUs: 1,910	
Minimum Share Ownership <sup>(4)</sup> : N/A	

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**Judith Athaide**

Calgary, Alberta, Canada

Independent Director

Director Since: February 2022

Judith Athaide is the President and Chief Executive Officer of The Cogent Group Inc. Ms. Athaide is a Professional Engineer with more than 25 years of experience in the energy industry and has experience in matters of strategy, risk, ESG, health and safety, technology as an enabler of transformation, succession and talent management, regulatory and compliance and corporate governance.

Ms. Athaide holds a Bachelor of Commerce (Honours) from the University of Manitoba, a Master of Business Administration from the University of Alberta, and a Bachelor of Science in Mechanical Engineering from the University of Alberta. She has been awarded the designation of ICD.D by the Institute of Corporate Directors and is a Life Member of the Association of Professional Engineers and Geoscientists of Alberta (“APEGA”).

<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance<sup>(5)</sup></b>
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Board of Directors	N/A
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Governance and Nominating Committee	N/A
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Sustainability Committee	N/A
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<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
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Common Shares <sup>(1)</sup> : 2,500 - \$29,875	Computer Modelling Group Ltd.
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Options: Nil	HSBC Bank Canada
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Performance Warrants: Nil	TriSummit Utilities Inc.
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DSUs: 1,493	
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Minimum Share Ownership <sup>(4)</sup> : N/A	
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**Patrick Carlson**

Calgary, Alberta, Canada

Non-Independent Director

Director Since: February 2018

Patrick Carlson is the Chief Executive Officer (“CEO”) of Kiwetinohk. Prior thereto, he was the CEO of Kiwetinohk Resources Corp. (“KRC”) since February 2018 and the President and CEO of Distinction Energy Corp. (“Distinction”) since April 2021, until the business combination of KRC and Distinction in September 2021. Prior to founding KRC, he was the founding CEO and a director of Seven Generations Energy Ltd., a company that he led through its initial public offering in 2014, until his retirement as CEO in June 2017 and his resignation from the board of Seven Generations Energy Ltd. in May 2018.

Mr. Carlson earned a Bachelor of Science in Chemical Engineering from the University of Calgary. He is a Professional Engineer and an active member of APEGA. Mr. Carlson holds the ICD.D designation from the Institute of Corporate Directors and is an executive of the Calgary branch of the Institute of Corporate Directors.

<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance</b>
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Board of Directors	10/10 (100%)
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Reserves Committee	2/2 (100%)
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Compensation Committee <sup>(7)</sup>	3/3 (100%)
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Sustainability Committee	1/1 (100%)
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<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
Common Shares <sup>(1)</sup> : 1,000,400 <sup>(6)</sup> - \$11,954,780	None
Options: 487,998	
Performance Warrants: 1,342,000	
DSUs: Nil	
Minimum Share Ownership <sup>(4)</sup> : Attained	

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<b>Leland Corbett</b>	Leland Corbett is a partner at the law firm Stikeman Elliott LLP. He has been at Stikeman Elliott LLP since 1994 and has over 25 years of experience practicing law in debt and equity public and private capital markets, corporate governance, and mergers and acquisitions.
Calgary, Alberta, Canada	
Independent Director	Mr. Corbett holds a Bachelor of Laws, a Master of Business Administration and a Bachelor of Science in Mechanical Engineering all from the University of Alberta.
Director Since: August 2018	

<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance</b>
Board of Directors	10/10 (100%)
Compensation Committee (Chair)	3/3 (100%)
Governance and Nominating Committee	1/1 (100%)
Sustainability Committee	1/1 (100%)

<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
Common Shares <sup>(1)</sup> : 30,838 - \$368,514	None
Options: 62,998	
Performance Warrants: 158,530	
DSUs: 2,452	
Minimum Share Ownership <sup>(4)</sup> : N/A	

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<b>Nancy Lever</b>	Nancy Lever is an Advisor at ARC Financial Corp. She has been with ARC Financial Corp. since 1993. Ms. Lever has a Master of Business Administration from the University of Calgary and a Bachelor of Science in Engineering Physics from Queen's University. She is a Professional Engineer and holds the ICD.D designation from the Institute of Corporate Directors.
Calgary, Alberta, Canada	
Independent Director	
Director Since: September 2021	

<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance<sup>(8)</sup></b>
Board of Directors	10/10 (100%)
Compensation Committee	3/3 (100%)
Reserves Committee	2/2 (100%)
Sustainability Committee (Chair)	1/1 (100%)

<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
Common Shares <sup>(1)</sup> : Nil <sup>(1)</sup> - \$0	None
Options: 30,000	

Performance Warrants: 60,000

DSUs: 1,493

Minimum Share Ownership<sup>(4)</sup>: N/A

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**Kaush Rakhit**  
Calgary, Alberta, Canada  
Independent Director  
Director Since: August 2018

Kaush Rakhit is the CEO of Canadian Discovery Ltd. He founded Rakhit Petroleum Consulting Ltd. in 1989, which purchased and merged with Canadian Discovery Ltd. in 2005.

Mr. Rakhit earned a Bachelor of Science in Earth Sciences from the University of Waterloo and a Master of Science in Petroleum Hydrogeology from the University of Alberta. He is a Professional Geologist, an active member of APEGA and holds the ICD.D designation from the Institute of Corporate Directors.

<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance</b>
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Board of Directors	10/10 (100%)
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Compensation Committee	1/1 (100%)
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Reserves Committee (Chair)	2/2 (100%)
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<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
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Common Shares <sup>(1)</sup> : 102,000 - \$1,218,900	None
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Options: 55,951

Performance Warrants: 158,530

DSUs: 1,493

Minimum Share Ownership<sup>(4)</sup>: N/A

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**Steven Sinclair**  
Calgary, Alberta, Canada  
Independent Director  
Director Since: September 2021

Steven Sinclair is a corporate director with over 30 years of senior operating and financial management experience with a number of publicly traded and private companies. Until recently, he was a director and chair of the audit committee of TransGlobe Energy Corporation and a director and audit committee chair of a private oil and gas company headquartered in Calgary. Mr. Sinclair retired from his position of Senior Vice President and Chief Financial Officer (“CFO”) of ARC Resources Ltd. in 2014.

Mr. Sinclair has a Chartered Accountant’s designation and a Bachelor of Commerce degree from the University of Calgary.

<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance</b>
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Board of Directors	1/1 (100%)
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Audit Committee (Chair)	1/1 (100%)
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Compensation Committee	1/1 (100%)
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<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
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Common Shares <sup>(1)</sup> : 10,000 - \$119,500	None
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Options: 10,000

Performance Warrants: 20,000

DSUs: 1,493

Minimum Share Ownership<sup>(4)</sup>: N/A

<b>John Whelen</b>	John Whelen is a former senior executive at Enbridge Inc. where he held a number of roles over 25 years, including Executive Vice President and Chief Development Officer, Executive Vice President and CFO, Senior Vice President and Controller and Senior Vice President of Corporate Development.
Calgary, Alberta, Canada	
Independent Director	
Director Since: February 2022	Mr. Whelen holds a Master of Business Administration degree from McMaster University and a Bachelor of Science (Economics) from the University of Victoria.
<b>Kiwetinohk Board / Committee Participation</b>	<b>2021 Meeting Attendance<sup>(5)</sup></b>
Board of Directors	N/A
Audit Committee	N/A
Compensation Committee	N/A
<b>Kiwetinohk Holdings</b>	<b>Other Reporting Issuer Directorships</b>
Common Shares <sup>(1)</sup> : Nil - \$0	None
Options: Nil	
Performance Warrants: Nil	
DSUs: 1,493	
Minimum Share Ownership <sup>(4)</sup> : N/A	

**Notes:**

- (1) Represents all Common Shares beneficially owned or controlled or directed, directly or indirectly, by the proposed director, including Common Shares registered in the name of other entities. Value of Common Shares represents the number of common shares held multiplied by the closing price of the Common Shares on the TSX on March 31, 2022 of \$11.95.
- (2) Mr. Brown and Ms. Lever are officers and/or employees of ARC Financial Corp. Certain ARC entities that are affiliates of ARC Financial Corp. collectively hold 27,504,624 Common Shares.
- (3) Mr. Brown does not own any Common Shares. Shares previously registered in Mr. Brown's name have been assigned to ARC and entities that it manages.
- (4) The Corporation adopted share ownership guidelines on November 23, 2021 requiring each of its non-executive directors, executive officers and other employees specified by the Board to acquire, within five years from: (i) the date they become a director or officer; or (ii) the date of the share ownership guidelines, Common Shares having a value equal to at least three times their annual base salary (for the CEO); one and a half times their annual base salary (for the CFO and other officers/participants); and three times the previous year's cash retainer fee (for non-executive directors). Common shares (or notional Common Shares) underlying Options, Performance Warrants and DSUs are counted. See "*Share Ownership Requirements*". There was no cash retainer for the directors for 2021 and therefore no benchmark for share ownership; however there is for 2022 go forward.
- (5) Ms. Athaide and Mr. Whelen did not join the Board until 2022 and therefore did not attend any Board or committee meetings during the year ended 2021.
- (6) Mr. Carlson's wife, Darlene Constance Carlson, who is a part-time employee of Kiwetinohk, holds 500,200 Common Shares. Mr. Carlson holds the other 500,200 Common Shares.
- (7) Mr. Carlson ceased to be a member of the Compensation Committee in September 2021.
- (8) Prior to her appointment to the Board, Ms. Lever attended Board and committee meetings as an observer on behalf of ARC.

Pursuant to an investment rights agreement between Kiwetinohk and ARC, assuming there are a total of nine directors elected to the Board, ARC will have the right to designate: (a) one director nominee for election to the Board for so long as ARC exercises control or direction over 10% or more of the Common Shares; (b) two director nominees for election to the Board for so long as ARC exercises control or direction over 25% or more of the Common Shares; and (c) three director nominees for election to the Board for so long as ARC exercises control or direction over 40% or more of the Common Shares, and if so, one of such nominees shall be the Chair unless ARC otherwise agrees. If the size of the Board is changed, the foregoing rights shall be adjusted accordingly. For so long as ARC is entitled to have a nominee on the Board, Kiwetinohk shall take such action as may be necessary to ensure that the nominee of ARC is either appointed to or granted observer rights on each committee of directors formed by the Board. At this time, ARC has the right to designate three Board nominees but has only designated two Board nominees as ARC was supportive of the recently appointed directors and did not elect to designate a nominee.



Pursuant to an investment rights agreement between Kiwetinohk and Luminus, Luminus will have the right to designate one director nominee for election to the Board for so long as Luminus exercises control or direction over 10% or more of the Common Shares. For so long as Luminus is entitled to have a nominee on the Board, Kiwetinohk shall take such action as may be necessary to ensure that the nominee of Luminus is either appointed to or granted observer rights on each committee of directors formed by the Board. At this time, and with the recent resignation of Luminus' prior Board nominee, Timothy Schneider, Luminus has not designated a Board nominee.

The information as to Common Shares owned directly or indirectly by each director nominee, not being within the knowledge of the Corporation, has been furnished by the nominees.

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

Other than as disclosed below, to the knowledge of Kiwetinohk, no director of Kiwetinohk is, as at the date hereof, or has been, within ten years before the date hereof, a director, CEO or CFO of any corporation (including the Corporation) that while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) was subject to an order that was issued after the director ceased to be a director or officer and which resulted from an event that occurred while that person was acting in the capacity as director or officer.

Other than as disclosed below, to the knowledge of Kiwetinohk, no director of Kiwetinohk:

- (a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Corporation) 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; or
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Kaush Rahkit served as a director of Kinwest 2008 Energy Inc. at the time that it entered into bankruptcy proceedings on May 12, 2016.

### **Penalties or Sanctions**

To the knowledge of Kiwetinohk, no director of Kiwetinohk has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## Conflicts of Interest

Certain officers and directors of Kiwetinohk are also officers and/or directors of other companies engaged in the crude oil and natural gas business generally. As a result, situations may arise where the interest of such directors and officers conflict with their interests as directors and officers of other companies. The resolution of such conflicts is governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of Kiwetinohk. Conflicts, if any, will be handled in a manner consistent with the procedures and remedies set forth in the CBCA. The CBCA provides that in the event that a director has an interest in a material contract or material transaction, whether made or proposed, the director shall disclose his interest in such contract or transaction to the Corporation and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the CBCA.

Certain directors of Kiwetinohk have existing business relationships with Kiwetinohk. While such business relationships are not considered to be material to Kiwetinohk, they could be perceived as giving rise to a conflict of interest. Related party transactions are further described in Kiwetinohk's audited financial statements and the accompanying notes, which may be viewed on Kiwetinohk's SEDAR profile.

## Independence of Director Nominees

Of the nine director nominees, seven (more than  $\frac{3}{4}$ ) are independent. A majority of the members of the Audit Committee, Governance and Nominating Committee, Reserves Committee and Sustainability Committee are independent and all of the members of the Compensation Committee are independent. Independence is based on the definitions contained in National Instrument 52-110, National Instrument 58-101 and National Policy 58-201. See also "Corporate Governance – Board of Directors" in this Information Circular.

Director Nominee	Independent	Non-Independent	Reason for Non-Independence
Kevin Brown		✓	Executive officer and/or director of ARC Financial Corp. and of the general partners of the limited partnerships comprising ARC, which hold an aggregate of approximately 62% of the issued and outstanding Common Shares.
Beth Reimer-Heck	✓		
Judith Athaide	✓		
Patrick Carlson		✓	Chief Executive Officer of the Corporation
Leland Corbett	✓		
Nancy Lever	✓		
Kaush Rakhit	✓		
Steven Sinclair	✓		
John Whelen	✓		

Ms. Beth Reimer-Heck, an independent director, is the Board's Lead Director. Her duties include, among other things, acting as a liaison between the independent directors and management, ensuring that differences between the responsibilities of the Board and management are understood by all, and ensuring that independent directors have adequate opportunities to meet to discuss issues without management and non-independent directors present. The position description for the Lead Director is available on the Corporation's website at [www.kiwetinohk.com](http://www.kiwetinohk.com).

The Board mandate requires that an *in-camera* meeting of independent directors be held in connection with all Board meetings and the Board committees also follow this practice.

## Competency Matrix for Director Nominees

The Board, with the oversight of the Governance and Nominating Committee, has developed a competency matrix to ensure that the members of the Board, through their knowledge, business expertise and experience, meet the needs of the Board. The following table sets out some of the relevant knowledge, expertise and experience of the director nominees:

RATING SCALE	Kevin Brown	Beth Reimer-Heck	Judith Athaide	Patrick Carlison	Leland Corbett	Nancy Lever	Kaush Rakhit	Steven Sinclair	John Whelen
1. Worked directly or had individuals directly reporting to you in specific area. 2. No direct experience in specific area, but some level of knowledge and expertise 3. Little or no experience or expertise in specific area									
<b>Quality Assets and Operational Excellence</b>									
<b>Corporate and Operational Leadership:</b> experience as a CEO or senior officer in various aspects of energy development and operations, including technology & innovation, exploration, and marketing.	2	2	3	1	2	1	1	1	1
<b>Reserves Evaluation:</b> general experience or executive experience with oil and gas reserves evaluation.	2	3	3	1	3	1	1	2	3
<b>Profitable Capital Allocation:</b> experience with, and understanding of, the importance of the role of capital allocation and risk in value creation.	1	1	1	1	2	1	1	1	1
<b>Health, Safety and Environment:</b> direct experience with, or strong knowledge of, industry regulations and best practices related to workplace health, safety and environmental issues.	2	1	1	1	2	3	1	3	2
<b>Global Experience:</b> international energy business experience and perspective.	1	1	1	1	2	2	1	1	2
<b>Commercial Activities and Risk Management</b>									
<b>Strategic Planning:</b> experience in leading and developing business strategies to create value and managing business development activities for short-term and long-term results.	1	1	1	1	2	1	1	1	1
<b>Market Access:</b> experience with, and knowledge of, strategies to proactively leverage market access opportunities.	1	2	3	1	2	3	3	1	2
<b>Change Management:</b> experience leading major organizational change and/or managing significant M&A activities.	1	1	2	3	2	2	2	1	1
<b>Decision Quality:</b> proven track record in complex decision making and the ability to work well with other Board members to reach decisions.	1	1	1	1	1	2	1	1	1
<b>Risk Evaluation:</b> experience in evaluating and managing a broad range of business risks, including ESG issues.	1	1	1	1	2	2	1	1	1
<b>Financial Sustainability and Return on Investment</b>									
<b>Financial Expertise:</b> formal qualifications and/or management experience in financial reporting, internal controls and corporate finance.	2	2	3	2	2	2	2	1	1

RATING SCALE									
	Kevin Brown	Beth Reimer-Heck	Judith Athaide	Patrick Carlson	Leland Corbett	Nancy Lever	Kaush Rakhit	Steven Sinclair	John Whelen
1. Worked directly or had individuals directly reporting to you in specific area.									
2. No direct experience in specific area, but some level of knowledge and expertise									
3. Little or no experience or expertise in specific area									
<b>Financial Literacy:</b> ability to critically read and analyze financial statements.	1	1	1	2	2	1	2	1	1
<b>Business Economics:</b> experience in analysis of project and corporate returns.	1	1	1	1	2	1	1	1	1
<b>ESG, People and Culture</b>									
<b>Sustainability:</b> experience with, or knowledge of, risks and opportunities related to a broad range of environmental, social and overall shareholder engagement and communication.	1	1	1	1	1	2	1	2	1
<b>Corporate Governance:</b> experience as a senior executive and/or board member (public, private or not-for-profit) that provides a strong understanding of requirements of good corporate governance.	1	1	1	1	1	1	1	1	1
<b>Government Relations:</b> broad regulatory, political and public policy experience in Canada and other jurisdictions.	2	1	2	1	1	3	2	2	2
<b>Human Resources:</b> experience with responsibility for human resources, succession planning and executive compensation.	1	2	1	1	1	2	1	2	2
<b>Culture:</b> experience in oversight of corporate culture to ensure strong ethics, governance practices and quality decision making.	1	1	1	1	1	2	1	1	2

## Board Interlocks

Kiwetinohk does not have a formal policy on board interlocks, however it does monitor the other public directorships held by its members. A board interlock occurs when two of the Corporation's directors also serve together on the board of another public company. There are currently no board interlocks among the director nominees.

## COMPENSATION DISCUSSION AND ANALYSIS

### Introduction

#### *Compensation Philosophy*

Kiwetinohk acknowledges that social licence to operate is critical to an expectation of Shareholder value performance over the long term. The Board looks to the CEO to advance Kiwetinohk's business in accordance with Kiwetinohk's Code of Conduct. The Code of Conduct prescribes the expectations Kiwetinohk has of those in its service with respect to communicating with and satisfying stakeholders. Kiwetinohk's directors, who have a duty in law to serve the best interests of Kiwetinohk, believe that differentiated (relative to peers) performance for investors is most probable if Kiwetinohk also differentiates in the service of groups of people who have the capacity to aid or impair Kiwetinohk in its pursuit of its

business objectives. Kiwetinohk refers to these groups of people as stakeholders. Among Kiwetinohk's stakeholders are:

- (a) the environment and those who have taken on a duty to protect it;
- (b) governments and regulators who, faced with the challenges presented by climate change seek to evolve regulation so that the energy industry can better serve society;
- (c) all communities most impacted by Kiwetinohk's activities;
- (d) industry partners who expect Kiwetinohk to honor its arrangements and reasonably accommodate change and adaptation;
- (e) customers who want Kiwetinohk to reliably deliver its products at the specifications and in the amounts that it forecasts;
- (f) suppliers and service providers who want an opportunity to compete for Kiwetinohk's business, to be paid promptly and fairly and to learn marketable skills as they contribute to the evolution of Kiwetinohk's business;
- (g) employees who want an energizing, inclusive, happy work environment where everyone is treated with dignity and respect, to be compensated fairly and to have a safe and healthy workplace; and
- (h) capital providers who want strong returns on their investment, effective communication and management of risks: financial, environmental and reputational.

The role of the CEO is to lead the employees in developing and implementing a balance of practices and policies which meet the needs of all stakeholders. In measuring the CEO's performance, the Board looks to gauge Kiwetinohk's relationships with its stakeholders.

The CEO leads the management team in identifying and assessing alternative business strategies. These assessments guide the Board to adoption and revision of strategies that are designed to differentiate Kiwetinohk in the eyes of its stakeholders, as demanded by the Code of Conduct. The CEO oversees the management team to implement strategies. Key performance indicators include measurement of performance by gauges most important to each stakeholder. For example, Shareholders want to see cash returns and/or share price growth and strong performance in the factors underlying shareholder value (including reserves volumes and value, production rate, unit operating costs and capital investment performance metrics). Communities want to know what is going on in their area, to contribute to strategies and plans and to participate in operations as employees or contractors. Individuals tasked with environmental protection, non-governmental environmental organizations and the broader community want, to varying degrees, to see conservation of natural habitat, protection of the land, water and atmosphere from releases of pollutants including greenhouse gases, and restoration of lands when Kiwetinohk is no longer using them for value generation. Governments and regulators want Kiwetinohk to comply with all laws and regulations, to build good relationships with its other stakeholders and to help them understand, in the rapidly evolving energy transition world, how they, also, can better serve society.

Within the foregoing context, the purposes of Kiwetinohk's compensation policy are: (a) to attract and retain individuals that have the training, experience, required certifications and track records of excellent performance to serve as executive officers and employees of Kiwetinohk; (b) to motivate and/or reward performance in proportion to level of achievement; and (c) to align the interests of executive officers and employees of Kiwetinohk with the long-term interests of Shareholders. As Kiwetinohk has evolved into a public company following the business combination of KRC and Distinction which occurred in the fall of 2021 (the "**Business Combination**") and its listing on the TSX in January 2022, the Corporation has reviewed compensation for all executive officers against a comparator group of similarly sized crude oil and

natural gas and power generation companies, considered in the context of Kiwetinohk's performance relative to performance goals and relative to the performance of its peers.

Kiwetinohk's executive compensation philosophy reflects the following principles:

- (a) Compensation levels should be competitive — A competitive compensation program is vital to Kiwetinohk's ability to attract and retain executive officers and employees that can do all that is required to position Kiwetinohk among the leaders of its peer group.
- (b) Compensation should be related to performance — A significant portion of the compensation of the executive officers should be based on corporate and individual performance. During periods when performance exceeds expectations, executive officers should receive compensation at levels that are above targeted levels. When performance is below expectations, incentive award payments, if any, and compensation generally should be lower.
- (c) Compensation at risk should represent a significant percentage of an executive officer's total compensation — A significant percentage of compensation should be paid in the form of short-term and long-term incentives, calculated and paid based on performance for Kiwetinohk's stakeholders. Executive officers' incentives must be aligned with stakeholder satisfaction with special consideration to Shareholder value realization.
- (d) Incentive compensation should balance short-term and long-term performance — Executive officers receive both short-term and long-term incentives. Short-term incentives focus on achievements for the current year, while equity-based compensation creates a focus on increasing long-term Shareholder value.

### ***Oversight of Executive Compensation***

The Compensation Committee oversees the compensation of the named executive officers ("NEOs"), being Kiwetinohk's CEO, CFO and next three most highly compensated executive officers. The Compensation Committee consists of the following independent directors: Leland Corbett (Chair), Nancy Lever, Kaush Rakhit, Steven Sinclair and John Whelen. Each of the Compensation Committee members has served as a senior officer and/or as a director of numerous organizations or has direct experience in executive and corporate compensation programs, and therefore has the necessary background and skills to provide effective oversight of executive and director compensation and ensure that sound risk management principles are being adhered to in order to align executive officers' and Shareholders' interests.

The Compensation Committee monitors the compensation practices of Kiwetinohk to ensure that its compensation practices allow Kiwetinohk to attract and retain high performing executive officers and employees. The Compensation Committee has engaged, and can in the future engage, the services of consulting compensation experts to assist it in fulfilling its duties.

The written mandate of the Compensation Committee is available on Kiwetinohk's website at [www.kiwetinohk.com](http://www.kiwetinohk.com).

Historically, until the final draw of optional investment funds in conjunction with the acquisition by KRC and Distinction of certain crude oil and natural gas interests in the Simonette and other areas of northwest Alberta (the "**Simonette Acquisition**"), Kiwetinohk was in its start-up phase, investing the initial optional investment amount allocated to ARC – its majority Shareholder – in accordance with the original financing agreements. During the first three years start-up phase, the CEO was compensated as follows:

- (a) \$1.00 per year salary;
- (b) participation in Kiwetinohk's benefit plan;

- (c) options to buy Common Shares at \$10.00 per Common Share, which was the issue price of all of the funds invested in accordance with the initial financing of Kiwetinohk;
- (d) performance warrants to buy Common Shares which have strike prices of \$15.00, \$17.50, \$20.00, \$22.50 and \$25.00 (20% of the total amount of Performance Warrants (as defined herein) in each grant vest at each of the referenced prices); and
- (e) performance of his own investment (Mr. and Mrs. Carlson, who is also a part time Kiwetinohk employee, have each invested \$5,000,000 in accordance with the initial ARC optional financing).

In offering and reviewing compensation for other employees, historically, the Compensation Committee has relied on various external sources of information, including industry compensation surveys which provide market data on executive officer and non-executive officer compensation. The Compensation Committee took into account survey information and other factors in determining executive officer and non-executive officer base salaries for 2021. No bonuses or salary increases were awarded to the NEOs in 2021 and, in fact, there was a 0 to 15% rollback of executive salaries for most of 2021 (see below for further details).

The Compensation Committee reviews, on an annual basis, compensation of each executive officer. In each case, the Compensation Committee takes into account the scope of responsibilities, experience and contribution and performance of the executive officer, as well as the achievements of Kiwetinohk, and balances these against competitive compensation levels considering peer data.

In connection with this annual review by the Compensation Committee, the CEO presents to the Compensation Committee management's evaluation of Kiwetinohk's performance relative to its comparator group, his evaluation of each executive officer, which includes a review of each executive officer's contribution and performance over the past year, strengths, weaknesses, development plans and succession potential. The Compensation Committee members also have the opportunity to interface with the executive officers during the year.

### **Comparator Group**

Until fall 2021, Kiwetinohk was a closely held private company. As such, Kiwetinohk awarded compensation to its executive officers and other employees in a manner consistent with the foregoing principles and in reliance on industry compensation surveys and other external data, but without a rigorous comparison to the specific compensation practices of its publicly traded peers. Following completion of the Business Combination and its TSX listing in January 2022, Kiwetinohk has been reviewing its compensation practices to ensure they align with public company best practices and, on December 15, 2021, engaged Mercer (Canada) Limited ("**Mercer**") as a compensation consultant. Kiwetinohk has worked closely with Mercer over the past months to establish compensation practices aligned with public company best practices including developing an appropriate peer comparator group. As Mercer was engaged near the end of the year ended December 31, 2021, this peer group developed with the assistance of Mercer was not used to determine compensation paid in 2021 – but was used to determine 2021 cash bonuses. See "Short Term Incentives" below.

The current peer group, developed in consultation with Mercer, consists of the following companies and was used to set 2022 base salary levels and will be used for 2022 total compensation comparative purposes:

Advantage Energy Ltd.	Innergex Renewable Energy Inc.	Tamarack Valley Energy Ltd.
Anaergia Inc.	Kelt Exploration Ltd.	Tidewater Midstream and Infrastructure Ltd.
Athabasca Oil Corporation	Northland Power Inc.	Tidewater Renewables Ltd.
Boralex Inc.	NuVista Energy Ltd.	TransAlta Corp.
California Resources Corporation	Obsidian Energy Ltd.	TransAlta Renewables Inc.

Capital Power Corporation  
Cardinal Energy Ltd.  
Crew Energy Inc.

Paramount Resources Ltd.  
Pipestone Energy Corp.  
Spartan Delta Corp.

Whitecap Resources Inc.

The peer group consists of companies within the industry sectors of traditional upstream oil and gas, clean technology and other renewable energy and their inclusion is based on factors including assets, revenue, enterprise value, market capitalization and business operations as well as natural competitors for human talent. Additionally, the majority of the peer group are Canadian-based companies headquartered in Western Canada.

### ***Pay Positioning***

Kiwetinohk currently seeks to position pay competitive to the 25<sup>th</sup> to 50<sup>th</sup> percentile of its peer group when performance meets expectations, above this level when performance exceeds expectations and below this level when performance is below expectations. More generally, pay can be well above the target range when performance is exceptional and is expected to be below the target range when performance is below expectations. Kiwetinohk currently seeks to position pay competitive to the 25<sup>th</sup> to 50<sup>th</sup> percentile of its peer group as Kiwetinohk is relatively small compared to such peers based on the comparator metrics used.

Notwithstanding the Corporation's targeted pay positioning, Mr. Carlson has advised the Compensation Committee and the Board that he wishes to have a salary of \$1 per year again for 2022 so that all of his compensation for 2022 is "at risk" given the Corporation's current stage of development and attainment of its corporate strategies. Mr. Carlson's total compensation for 2022 is intended to be competitive in line with the targeted pay positioning noted above, and it will consist of cash bonuses and long-term incentives based on his performance and the Corporation's performance.

### ***Named Executive Officers***

Under applicable securities laws, a company's NEOs are: (i) the CEO, (ii) the CFO, (iii) the next three most highly compensated executive officers serving at the end of the most recent financial year and (iv) any officer who would have been among the next three most highly compensated executive officers if they had been serving at the end of the most recent financial year. The Corporation's CEO and CFO, who are NEOs, and its other current NEOs (provided as supplemental information) and NEOs for 2021 are listed below.

- Patrick Carlson, CEO
- Jakub Brogowski, CFO

#### *Current Other NEOs*

- Mike Backus, Chief Operating Officer, Upstream (appointed November 11, 2021)
- John Maniawski, President, Green Energy Division (appointed November 30, 2021)
- Janet Annesley, Chief Sustainability Officer (appointed September 15, 2021)

#### *2021 Other NEOs*

- Sue Kuethe, Executive Vice President, Land and Community Inclusion
- Kurt Molnar, Senior Vice President, Business Development
- Mike Hantzsch, Senior Vice President, Midstream and Market Development

### ***Compensation Components***

The components of Kiwetinohk's executive officer compensation program are base salary, annual incentive, long-term incentive and benefits each as described below. The components of compensation Kiwetinohk will use to recruit and maintain a workforce include:



- (a) cash compensation including base salary and bonuses (short-term incentives);
- (b) share-based compensation (long-term incentives);
- (c) health and life insurance; and
- (d) lifestyle support.

Aside from the above, Kiwetinohk expects its culture, standards and reputation will also provide a basis for employer competitiveness.

### ***Cash Compensation – Base Salary***

As to cash compensation, Kiwetinohk targets base salaries (as noted above under “Pay Positioning”) at the 25<sup>th</sup> to 50<sup>th</sup> percentile of its peer group when performance is average, above this level when performance is above average and below this level when performance is below average. This would apply to total cash compensation (i.e. with the inclusion of bonuses) as well. In 2021 the Corporation had a salary rollback for part of the year for the 2021 NEOs and other officers. See “Changes in 2021” below.

### ***Cash Compensation – Bonuses (Short-Term Incentives)***

Kiwetinohk awards cash bonuses to officers based on performance of the individual and the Corporation. For 2021 performance, the NEOs for 2021 were paid an aggregate of \$1,315,000 in cash bonuses.

In determining cash bonuses for such NEOs for 2021, the Compensation Committee considered, among other things, the significant and transformative transactions completed by the Corporation in 2021 (including the Simonette Acquisition, the Business Combination and the steps taken to list the Common Shares on the TSX), the Corporation’s operational, financial and ESG performance in 2021, the Corporation’s progress on its business strategies and the performance of the individual NEO.

The Compensation Committee, together with management, is working to develop a short-term incentive scorecard for 2022 which is expected to be used as a basis for future years as well. In addition to the ongoing work to develop a more formalized short-term incentive plan, management has worked with the Compensation Committee to establish a broad set of corporate and personal objectives for 2022 which comprise a mix of quantitative and qualitative objectives, not all of which would apply to each employee (some objectives are differentiated by function and responsibility). Each objective is broken down by gold, silver and bronze thresholds. The Compensation Committee and management will regularly revisit these objectives over the course of the year, and will use the objectives as a basis for measuring performance-based compensation next spring – this will be a starting point for a more structured short-term incentive plan to be developed over the course of 2022. Such plan is expected to have qualitative and quantitative objectives tied to Kiwetinohk’s financial performance, operational performance and ESG performance as well as the successful execution of Kiwetinohk’s stated business strategies and objectives and shareholder returns. The plan will be purposefully flexible and adaptable, however, to ensure that the plan is continually incentivizing and rewarding the right behaviours and desired results for Kiwetinohk and its stakeholders in an evolving and rapidly changing energy industry.

### ***Share-Based Compensation – Long-Term Incentives***

Kiwetinohk’s current outstanding long-term incentives include a mix of stock options to purchase Common Shares (“**Options**”) and performance warrants to purchase Common Shares (“**Performance Warrants**”), both of which were designed to strengthen the alignment between compensation and the long-term interests of Shareholders; however, the Corporation ceased to issue Performance Warrants once the Common Shares became listed on the TSX and, accordingly, the Corporation’s only current long-term incentive program for NEOs is the grant of Options. Kiwetinohk has recently adopted a cash-based restricted and performance share unit plan (the “**Share Unit Plan**”) which will provide another form of long-

term incentives with which to attract and compensate employees in 2022 and beyond. In 2022 the Compensation Committee will be assessing the Corporation's long-term incentive program with the assistance of Mercer and may make changes to it.

The grant of share-based compensation is determined by the Board on the recommendation of the Compensation Committee, in accordance with the terms of the applicable incentive plan or certificate. Awards are designed to provide Shareholder aligned incentives to Kiwetinohk's directors, officers, employees and consultants who make material contributions to the successful operation of the business of Kiwetinohk, to increase their ownership interest in Kiwetinohk and to allow Kiwetinohk to attract and retain outstanding talent. The long-term incentives are administered by the Board or the Compensation Committee, which, from time to time, recommends to the Board, grants to eligible persons after considering their present and potential contributions and other relevant factors.

Options are exercisable (unless otherwise determined by the Board) for Common Shares, and vest 1/3 per year on each of the first three anniversaries of the date of grant. Options have a term of seven years.

Grants of long-term incentive awards of Options and/or Performance Warrants to NEOs and other management have varied based on corporate and individual performance, market conditions, other compensation paid to the NEO and availability of awards for grant.

Options have no value unless the trading price of the Common Shares increases above the exercise price of the Option. This links a portion of executive compensation directly to Shareholders' interests by providing an incentive to increase the trading price of the Common Shares. Performance Warrants have an escalating exercise price, further aligning the interests of executive officers with the interests of Shareholders.

### ***Pension, Benefits and Perquisites***

Kiwetinohk does not currently have a pension plan or post-employment compensation and benefits in place for any of its employees.

The Compensation Committee annually reviews the benefits provided to executive officers, which are generally the same as those provided to other employees of Kiwetinohk, to determine if adjustments are appropriate. The executive officers receive minimal perquisites in each case with an aggregate value of less than \$10,000 per executive officer per year and which includes paid parking.

### ***Compensation Mix***

In determining compensation for the NEOs, consideration is given to all forms of compensation paid or payable so that an appropriate mix is attained between fixed compensation (consisting primarily of base salary) versus variable or at-risk pay (currently consisting of cash bonuses and Options). The majority of such compensation is intended to be variable or at-risk and all long-term incentives are variable. NEOs have been granted Options and Performance Warrants, the value of which depends on the trading price of the Common Shares, thereby aligning NEO interests with Shareholder interests.

## **Equity Compensation Plan Information**

### ***Option Plan***

The purposes of the stock option plan (the "**Option Plan**") are: (a) to provide an incentive to the directors, officers, employees, consultants and other personnel of Kiwetinohk or any of its subsidiaries to achieve the longer-term objectives of Kiwetinohk; (b) to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Kiwetinohk; and (c) to attract and retain in the employ of Kiwetinohk or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in Kiwetinohk.

Pursuant to the Option Plan, Kiwetinohk may grant Options to directors, officers, employees and service providers of Kiwetinohk, which are exercisable for one Common Share per Option. The maximum number of Common Shares issuable under the Option Plan and all other security-based compensation arrangements of the Corporation (excluding the Performance Warrants) must not exceed 10% of the aggregate number of issued and outstanding Common Shares from time to time (calculated on an undiluted basis).

The grant of Options under the Option Plan, together with Common Shares that may be issuable pursuant to all other security-based compensation arrangements of Kiwetinohk (excluding the Performance Warrants), will also not result at any time in: (a) the number of Common Shares issuable to insiders of Kiwetinohk exceeding 10% of the aggregate number of issued and outstanding Common Shares from time to time (calculated on an undiluted basis); (b) the issuance to insiders of the Corporation within a one year period, of a number of Common Shares exceeding 10% of the aggregate number of issued and outstanding Common Shares from time to time (calculated on an undiluted basis); or (c) the issuance to any individual insider of the Corporation and such insider's associates, within a one year period, of a number of Common Shares exceeding 5% of the aggregate number of issued and outstanding Common Shares from time to time (calculated on an undiluted basis). In addition to the foregoing restrictions: (a) no Options may be granted to non-employee directors of Kiwetinohk if the granting of such Options would result in the issuance to such individuals (as a group) of a number of Common Shares exceeding 1% of the of the aggregate number of issued and outstanding Common Shares from time to time (calculated on an undiluted basis); and (b) within any one fiscal year, the total value of Options under the Option Plan, together with grants pursuant to the other security-based compensation arrangements of Kiwetinohk (excluding the Performance Warrants), to a non-employee director, as determined by the Board (or the Compensation Committee), will not exceed a grant value of \$100,000 of Options and \$150,000 in total equity on the date of such grant.

The percentage maximums described above are "evergreen" provisions such that if any Options granted under the Option Plan are terminated or cancelled for any reason without the Common Shares issuable thereunder having been issued in full or if any Common Shares are issued pursuant to any Option under the Option Plan, any such Common Shares shall be available for the purposes of further Option grants under the Option Plan.

The Option Plan is administered by the Board (or the Compensation Committee). Under the Option Plan, the Board has the authority to determine the terms, limitations, restrictions and conditions, if any, applicable to an Option, provided that:

- (a) the exercise price per Common Share of each Option shall be an amount at least equal to the Market Price at the time of grant of such Option;
- (b) vested Options held by a holder who ceases to be an eligible participant under the Option Plan for any reason other than death or disability or termination for cause terminate upon the earlier of the expiry date of such Options and 90 days after the holder ceases to be a director, officer, employee or service provider of Kiwetinohk or its subsidiaries, and the holder does not continue in at least one of such capacities;
- (c) vested Options held by a holder who ceases to be an eligible participant under the Option Plan for reason of death or disability terminate upon the earlier of the expiry date of such Options and 365 days after the holder ceases to be a director, officer, employee or service provider of Kiwetinohk or its subsidiaries;
- (d) the Options of a holder who is terminated for cause terminate immediately; and
- (e) the Options vest as to 1/3 of the total grant on each of the first three anniversaries of the grant date, or as otherwise determined by the Board.

The Option Plan also contains provisions which allow the Board, acting reasonably, to make such adjustments as it deems appropriate to the number of Common Shares authorized by the Option Plan and the number of Common Shares covered by grants made under the Option Plan in the event of a subdivision, redivision, consolidation, reclassification, amalgamation, merger or any other change in the corporate structure of shares of Kiwetinohk.

In the event of a change of control (as defined in the Option Plan), such as the sale or assets of Kiwetinohk and/or its subsidiaries having a fair market value greater than 50% of the fair market value of the assets of Kiwetinohk and its subsidiaries, any person acquiring more than 50% or more of the voting securities of Kiwetinohk (subject to certain exceptions) or any transaction or series of transactions where holders of the voting securities of Kiwetinohk immediately prior to such transaction(s) hold less than 50% of the voting securities of Kiwetinohk or of the continuing entity following such transaction(s), the Board may, in its sole and absolute discretion and without the need for the consent of any Option holder, take one or more of the following actions contingent upon the occurrence of that change of control: (a) cause any or all outstanding Options to become vested and immediately exercisable, in whole or in part; (b) cause any outstanding Option to become fully vested and immediately exercisable for a reasonable period in advance of the change of control and, to the extent not exercised prior to that change of control, cancel that Option upon closing of the change of control; (c) cancel any Option in exchange for a substitute award, or (d) with respect to any Option held by an Option holder, cancel that Option in exchange for cash and/or other substitute consideration with a value equal to: (i) the number of Common Shares subject to that Option, multiplied by (ii) the difference, if any, between the Market Price on the date of the change of control and the exercise price of that Option; provided, that if the Market Price on the date of the change of control does not exceed the exercise price of any such Option, the Board may cancel that Option without any payment of consideration therefor.

Subject to the provisions described in the following sentence, the Board may amend, suspend or terminate the Option Plan, or any portion thereof, or any Option, at any time, and may do so without Shareholder approval. Subject to the exceptions that follow and subject to those provisions of applicable law, if any, that require the approval of Shareholders or any governmental or regulatory body (including, without limitation, the TSX), the permitted amendments include the following:

- (a) amendments of a “housekeeping” or ministerial nature including, without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in the Option Plan or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan;
- (b) amendments necessary to comply with the provisions of applicable law (including, without limitation, rules, regulations and policies of the TSX and the provisions of any applicable tax law);
- (c) amendments respecting the administration of the Option Plan;
- (d) any amendment to the early termination provisions of the Option Plan or any grant, provided such amendment does not entail extension beyond the original Option period;
- (e) amendments to the definition of security-based compensation arrangements to remove the exclusion of the Performance Warrants granted prior to the amended and restated date of the Option Plan; and
- (f) amendments necessary to suspend or terminate the Option Plan.

Shareholder approval will be required for the following types of amendments:

- (a) any increase in: (i) the number of Common Shares that may be issued on the exercise of Options granted pursuant to the Option Plan, if the Option Plan provides for a fixed number

of Options reserved for issuance, and (ii) the percentage amount of Common Shares that may be issued on the exercise of Options granted pursuant to the Option Plan, if the Option Plan provides for a percentage amount of Common Shares reserved for issuance;

- (b) any amendment which reduces the exercise price of an Option;
- (c) any cancellation and reissuance of an Option;
- (d) any amendment extending the term of an Option beyond its original expiry date;
- (e) any amendment that increases limits imposed on non-employee director participation in the Option Plan;
- (f) any amendment to remove or exceed the insider participation limits in the Option Plan;
- (g) any amendment which would permit Options to be transferable or assignable, other than for normal estate settlement purposes; and
- (h) amendments to the amendment and termination provisions of the Option Plan.

As at December 31, 2021, an aggregate of 3,227,691 Common Shares, representing approximately 7.4% of the outstanding Common Shares, were issuable pursuant to the exercise of Options issued pursuant to the Option Plan. Since December 31, 2021, an additional 88,750 Options have been issued.

Plan Category	Number of securities to be issued upon exercise of outstanding options and warrants as at December 31, 2021 (a)	Weighted-average exercise price of outstanding options and warrants (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders (Option Plan)	3,227,691	\$9.53 <sup>1</sup>	1,139,767
Equity compensation plans not approved by securityholders (Performance Warrants – issued prior to TSX listing)	7,922,336	\$20.00	Nil

**Note:**

(1) Options of Distinction converted into Options of Kiwetinohk in connection with the Business Combination included in this calculation have all been exercised or expired.

**Burn Rate**

Pursuant to TSX rules, Kiwetinohk is required to calculate and disclose the annual “burn rate” of its applicable plans for the three most recently completed financial years. The annual burn rate is equal to the number of securities granted under the compensation plan in the applicable year, divided by the weighted average number of securities outstanding in that year, expressed as a percentage.

Financial Year Ending December 31	Burn Rate (%) <sup>(1)</sup>
2021	22%
2020	2%
2019	17%

**Note:**

- (1) A large number of the securities granted under Kiwetinohk's arrangements, and hence the large burn rate, were attributable to Performance Warrants. Performance Warrants were granted to officers and directors of Kiwetinohk while Kiwetinohk was a private company. Kiwetinohk has not issued any Performance Warrants since its Common Shares were listed on January 14, 2022 and will not issue any going forward.

***Restricted and Performance Share Unit Plan***

Kiwetinohk has recently adopted the Share Unit Plan which will provide another form of long-term incentives with which to attract, retain, incentivize and compensate employees. Specifically, the purposes of the Share Unit Plan are: (a) to provide an incentive to the officers, employees, consultants and other service providers of Kiwetinohk to achieve the longer-term objectives of Kiwetinohk; (b) to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Kiwetinohk; and (c) to attract and retain in the employ of Kiwetinohk persons of experience and ability by providing them with share units, which vest over time and/or upon the satisfaction of certain performance criteria, that mirror the value of the Common Shares.

Pursuant to the Share Unit Plan, upon recommendation of the Compensation Committee, the Board may grant restricted share units ("**RSUs**") and/or performance share units ("**PSUs**", and together with the RSUs, "**Share Units**") to the CEO and other senior officers of Kiwetinohk, and the Compensation Committee and/or CEO may grant Share Units to other officers, employees and service providers of Kiwetinohk. In determining such grants, the Compensation Committee, Board and/or CEO may consider the following:

- (a) the individual's title/level, job family, position, duties, seniority, annual salary and other incentive compensation;
- (b) whether Kiwetinohk, the applicable department and/or individual attained its performance targets or goals for the most recently completed fiscal year (or other applicable period);
- (c) individual and/or departmental contributions to the success of Kiwetinohk absolutely and/or as compared to others;
- (d) compensation and performance data in respect of Kiwetinohk's peers and competitors; and/or
- (e) such other factors as the Board, Compensation Committee and/or CEO deems relevant in furthering and accomplishing the purposes of the Share Unit Plan.

Under the Share Unit Plan, the Board, Compensation Committee or CEO, as applicable, shall determine:

- (a) the number and type of Share Units to be granted;
- (b) the time and/or performance vesting terms and the percentage or number of RSUs and/or PSUs to be vested as well as the applicable performance period and payout multiplier range for the PSUs (which shall be between 0% and 200%), provided that all Share Units shall vest no later than December 1 of the third year following the date of their grant; and
- (c) any adjustments to be made to the Share Units pursuant to the Share Unit Plan.

Unless otherwise determined at the time of grant, the Share Units will become vested as to one-third of the Share Units on each of the first, second and third anniversaries of the date of grant of the Share Units.

All vested Share Units shall be 100% cash-settled. Kiwetinohk shall pay a lump sum cash payment equal to the number of vested RSUs credited to the participant's notional account as of the vesting date multiplied by the fair market value of a Common Share on such date. Kiwetinohk shall pay a lump sum cash payment

equal to the sum of the number of vested PSUs credited to the participant's notional account as of such vesting date multiplied by the fair market value of a Common Share on such date multiplied by the determined payout multiplier for such PSUs.

If a participant ceases to be an officer, employee or service provider due to:

- (a) termination for cause, then no further Share Units shall vest and any Share Units held by such participant shall automatically terminate and be cancelled immediately for no consideration; or
- (b) any reason (including death or disability) other than termination for cause, then no further Share Units shall vest, any Share Units held by such participant that have not vested shall automatically terminate and be cancelled for no consideration, and Share Units that have vested and have not already been settled will be settled in accordance with the terms of the Share Unit Plan.

The Share Unit Plan also contains provisions which allow the Board, acting reasonably, to make such adjustments as it deems appropriate to the Share Units outstanding under the Share Unit Plan, or the underlying notional Common Shares and/or cash payable upon settlement thereof in the event of a subdivision, redivision, consolidation, reclassification, amalgamation, merger or any other material change in the corporate structure or Common Shares of Kiwetinohk.

In the event of a change of control (as defined in the Share Unit Plan), such as a merger or amalgamation of Kiwetinohk with one or more other corporations, an offer by any person to purchase all of the outstanding Common Shares, a sale or distribution of all or substantially all of Kiwetinohk's assets to any other person or any arrangement or corporate reorganization, the Board may, in its sole and absolute discretion and without the need for the consent of any participant, take one or more of the following actions contingent upon the occurrence of that change of control: (a) cause any or all outstanding Share Units to become vested and settled with the Board determining, in its sole and absolute discretion, the applicable payout multiplier(s) for such PSUs and the timing of settlement; (b) cancel any Share Unit in exchange for a substitute award; or (c) with respect to any Share Unit held by a participant, cancel that Share Unit in exchange for cash and/or substitute consideration with a value equal to the settlement value, determined in accordance with the Share Unit Plan, on the date of the change of control. At the discretion of the Board, any cash or substitute consideration payable upon cancellation of a Share Unit may be subjected to (a) vesting terms substantially identical to those that applied to the cancelled Share Unit immediately prior to the change of control; or (b) earn-out, escrow, holdback or similar arrangements, to the extent such arrangements are applicable to any consideration paid to Shareholders in connection with the change of control.

The Board may amend, suspend or terminate the Share Unit Plan or any portion thereof, or amend any Share Unit, at any time, and may do so without participant approval. Any amendment shall not negatively alter the terms or conditions of any Share Unit or impair any right of any participant pursuant to any Share Unit granted prior to such amendment unless the written consent of such participant to such amendment is obtained, unless such amendment is necessary to comply with applicable law. The Board may decide to discontinue granting RSUs and/or PSUs under the Share Unit Plan at any time in which case no further RSUs and/or PSUs shall be awarded under the Share Unit Plan. Any Share Units which remain outstanding at that time shall continue to be dealt with according to the terms of the Share Unit Plan and the Share Unit Plan shall terminate when all Share Units have been settled or terminated pursuant to the Share Unit Plan and all Share Units have been cancelled.

### ***Performance Warrants***

ARC and management agreed at the inception of Kiwetinohk and prior to it becoming a public company listed on the TSX, to allocate a pool of Performance Warrants as a gain-sharing arrangement that is commonly used in private companies financed by private equity funds. Performance Warrants are similar in structure to Options, but have escalating strike prices that ensure the employees only begin to share in

the appreciation in the Common Share price at substantially higher share prices than that which prevailed at the time of grant. Like Options, Performance Warrants generally vest 1/3 per year over three years. Performance Warrants have terms of five to seven years and may be exercised at or before the expiry of their term, a “liquidity event” (as defined in the applicable Performance Warrant certificate) or upon the completion of a “change of control” (as defined in the applicable Performance Warrant certificate). The termination of Performance Warrants as a result of a liquidity event or a change of control would require an affirmative vote of the Board, as well as a period of time within which the holders of Performance Warrants would have the opportunity to exercise those instruments.

The Performance Warrant arrangement is not a “security-based compensation arrangement” subject to Shareholder approval and the Common Shares issuable under the Performance Warrants are not included in the 10% maximum of Common Shares issuable under the Corporation’s security-based compensation arrangements. Performance Warrants were granted to officers and directors of Kiwetinohk while Kiwetinohk was a private company. Kiwetinohk has not issued any Performance Warrants since going public and will not issue any going forward.

Each Performance Warrant evidences a right of the holder to subscribe for and purchase one fully-paid and non-assessable Common Share, with the following terms and conditions:

- (a) the Performance Warrants are issuable in series, with an exercise price of \$15.00 for Series 1; \$17.50 for Series 2; \$20.00 for Series 3; \$22.50 for Series 4; and \$25.00 for Series 5 (the foregoing reflects the exercise price per Common Share);
- (b) all unvested Performance Warrants shall immediately vest upon the occurrence of a liquidity event or upon the completion of a change of control;
- (c) all vested Performance Warrants held by a holder who ceases to be an eligible participant under the Performance Warrant certificate for any reason other than death or disability or termination for cause terminate 90 days after the holder ceases to be a director, officer, employee or consultant of Kiwetinohk or its subsidiaries, and the holder does not continue in at least one of such capacities;
- (d) Performance Warrants generally vest as to 1/3 of each series, on each of the first three anniversaries of the grant date, although in some cases the Board has recognized historical service by granting Performance Warrants that vest as 1/4 of each series, with the first 1/4 vested at grant and the remainder to vest in rateably on each of the first three anniversaries of the grant date;
- (e) unless otherwise determined by the Board, in respect of Performance Warrants held by a holder who dies or becomes disabled, the Board will have discretion to: (i) leave all vested Performance Warrants in place under their existing terms; or (ii) cause Kiwetinohk to repurchase such holder’s vested Performance Warrants for the “market price” (as defined in the applicable Performance Warrant certificate) of the Common Shares issuable upon the exercise of such Performance Warrants, either in cash or Common Shares; and
- (f) unless otherwise determined by the Board, the Performance Warrants of a holder who is terminated for cause terminate immediately.

The form of Performance Warrant certificate also contains provisions which allow the Board, acting reasonably, to make such adjustments as it deems appropriate to the number of Common Shares covered by the Performance Warrants granted under a certificate in the event of a subdivision, redivision, consolidation, reclassification, amalgamation, merger or any other change in the corporate structure of shares of Kiwetinohk.



At the discretion of the Board, upon the occurrence of a liquidity event, the holder of a Performance Warrant may elect to surrender the Performance Warrant in exchange for the issuance of Common Shares with a value (determined using market price) equal to the number obtained by multiplying the number of Performance Warrants surrendered by the market price (on the date of surrender) divided by the market price (on the date of surrender). Performance Warrants may not be transferred without the express approval of the Board, except by will or the laws of descent and distribution. Kiwetinohk may not provide financial assistance to the holder of a Performance Warrant in connection with the exercise of Performance Warrants.

The Board may, at any time and from time to time, without the approval of the Shareholders, amend the terms and conditions of the Performance Warrants to conform the Performance Warrants to applicable law or regulation or the requirements of the TSX or any relevant regulatory authority; provided that unless grantees holding at least 66⅔% of the Performance Warrants otherwise consent, the Board may not alter, amend or revise the terms and conditions of the Performance Warrants in a manner that may be considered to be adverse to the holders of Performance Warrants; and provided that any amendment or revision that may be considered to be adverse to the holders of Performance Warrants may only be made with the consent of the Performance Warrant holders holding at least 66⅔% of the Performance Warrants that are so disproportionately and adversely affected.

As at December 31, 2021, an aggregate of 7,922,336 Common Shares, representing 18.1% of the outstanding Common Shares, were issuable pursuant to the exercise of Performance Warrants. No additional Performance Warrants have been issued since December 31, 2021, and the Board will not issue Performance Warrants going forward.

## **Compensation Governance**

### ***Compensation Related Risk Management***

Kiwetinohk's compensation program is designed to provide officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk.

The Board provides regular oversight of Kiwetinohk's risk management practices, and delegates to the Compensation Committee the responsibility to provide risk oversight of Kiwetinohk's compensation policies and practices, and to identify and mitigate compensation policies and practices that could encourage inappropriate or excessive risk taking by members of senior management.

The Compensation Committee and the Board considered the implications of the risks associated with Kiwetinohk's compensation practices and did not identify any risks from Kiwetinohk's compensation policies or practices that are likely to have a material adverse effect on Kiwetinohk.

The Compensation Committee and the Board have concluded that Kiwetinohk has effective policies and practices to ensure that employees do not have incentives to take inappropriate or excessive risks.

### ***Independent Advice***

Based on information which is publicly available, the Compensation Committee exercises its business judgment in overseeing the setting of base salaries and incentive compensation levels for executive officers. This includes an evaluation of each executive officer's qualifications and performance as well as company-wide performance. An executive officer's success in achieving business results and demonstrating leadership are also taken into account when reviewing compensation levels.

Until recently, Kiwetinohk was a closely held private company. On December 15, 2021, Kiwetinohk engaged Mercer to advise the Compensation Committee and the Board with respect to competitive compensation strategies for Kiwetinohk's directors and executives, and to establish compensation practices aligned with public company best practices. No other services have been provided by Mercer and the Board or

Compensation Committee must pre-approve any additional services to be provided by Mercer. No fees were paid to Mercer in the year ended December 31, 2021.

### **Share Ownership Requirements**

#### *Executive Officers and Other Employees*

Kiwetinohk has adopted the following share ownership guidelines, pursuant to which the executive officers and any other employee specified by the Board are required to hold, directly or indirectly, Eligible Securities (as defined below) with an aggregate value as follows:

<b>Participant</b>	<b>Share Ownership Guideline</b>
CEO	3x base salary
CFO	1.5x base salary
Other Officers and Participants	1.5x base salary

Eligible Securities includes Common Shares, performance units, restricted units, DSUs, notional shares or notional options, and all other share grants or units with the same economic interest as Common Shares.

Eligible Securities are valued at the greater of: (a) the purchase price or deemed issue price, as applicable, of the Eligible Security as determined at the time of purchase or issuance, as applicable, of such Eligible Security; and (b) the closing trading price of the Common Shares on the TSX on the last trading day of Kiwetinohk's financial year. Each officer will have five years from the introduction of the executive share ownership guidelines or the date of their election or appointment as an officer to achieve this minimum share ownership requirement.

Each of the CEO and CFO has achieved the minimum share ownership requirement.

#### *Non-Executive Directors*

In recognition of the importance of ensuring an alignment of financial interests of non-executive directors with those of Shareholders, Kiwetinohk has adopted an equity ownership requirement for its non-executive directors. Each non-executive director is required to hold, directly or indirectly, Eligible Securities with an aggregate value equal to or greater than three times the non-executive director's previous year's cash retainer fee. Eligible Securities are valued at the greater of: (a) the purchase price or deemed issue price, as applicable, of the Eligible Security as determined at the time of purchase or issuance, as applicable, of such Eligible Security; and (b) the closing trading price of the Common Shares on the TSX on the last trading day of Kiwetinohk's financial year. Each non-executive director will have five years from the introduction of the non-executive director share ownership guidelines or the date of their election as a director to achieve this minimum share ownership requirement.

See "*Nominees for Election to the Board of Directors*" for the Common Shares held by each nominee director and whether he or she has achieved the minimum share ownership requirement.

### **Hedging Prohibition**

Kiwetinohk's securities trading and reporting policy provides that no director, officer or employee may, at any time, purchase financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, spread bets, contracts for difference or units of exchangeable funds, that are designed to hedge or offset, or that may reasonably be expected to have the effect of hedging or offsetting, a decrease in the market value of any of the Corporation's securities or may otherwise take any speculative or derivative positions of any kind which would have or that may reasonably be expected to have such effect. To the Corporation's knowledge, none of the directors or NEOs have purchased any such financial instruments.

## Clawback Policy

Kiwetinohk believes that an important part of managing compensation risk and promoting ethical conduct is setting the appropriate tone at the executive level, and Kiwetinohk believes that having an appropriate clawback policy is an important part of setting that tone. The Corporation has adopted a policy whereby, in the event of fraud or wilful misconduct by an executive officer resulting in inaccurate financial results being reported or negligent conduct resulting in the restatement of all or any part of Kiwetinohk's financial statements: (a) such executive officer is required to reimburse the Corporation for an amount equal to the difference between any incentive compensation he or she received or became entitled to in respect of the year in which the misconduct occurred and the amount of such incentive compensation the executive officer should have properly received using corrected financial results; and (b) the Board has the discretion to cancel, withhold or otherwise take appropriate action to recoup that executive officer's incentive compensation paid during the 12-month period following the first public issuance or filing with securities regulatory authorities, whichever first occurs, of the financial document embodying the erroneous financial reporting results.

## EXECUTIVE COMPENSATION

### Summary Compensation Table

The following table provides a summary of compensation earned by Kiwetinohk's NEOs in the three most recently completed financial years. Mr. Backus, Mr. Maniawski and Ms. Annesley were not NEOs for 2021 since they were appointed late in 2021; however, they are included in the tables below to provide supplemental information. Annual incentives have historically been considered from time to time. This compensation period has aligned with Kiwetinohk's historical reserve reporting period and allowed compensation decisions to benefit from the completion of the busy winter drilling season. The annual incentives reported below have been included in the summary compensation table for the year in which they were paid. It should be noted that the value of the Option/Warrant-Based Awards is their Black-Scholes value only and the ultimate value received for such awards, if any, will be tied to the trading price of the Common Shares if and when such awards are exercised.

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option/Warrant-based Awards (\$) <sup>(4)</sup>	Non-equity incentive plan compensation (\$)			All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans	Pension Value (\$)		
Patrick Carlson <sup>(1)</sup> CEO	2021	1	-	3,695,599	500,000	-	-	6,600	4,202,200
	2020	1	-	-	-	-	-	6,600	6,601
	2019	1	-	-	-	-	-	6,600	6,601
Jakub Brogowski CFO	2021	232,969	-	1,171,975	290,000	-	-	6,600	1,701,544
	2020	250,000	-	-	-	-	-	6,600	256,600
	2019	250,000	-	-	-	-	-	6,600	256,600
Mike Backus <sup>(2)</sup> COO, Upstream	2021	56,250	-	236,053	40,000	-	-	1,650	333,953
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
John Maniawski <sup>(2)</sup> President, Green Energy Division	2021	29,545	-	237,627	15,000	-	-	1,100	283,272
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Janet Annesley <sup>(2)</sup> Chief Sustainability Officer	2021	73,611	-	185,689	30,000	-	-	2,200	291,500
	2020	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option/Warrant-based Awards (\$) <sup>(4)</sup>	Non-equity incentive plan compensation (\$)			All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans	Pension Value (\$)		
Sue Kuethe <sup>(3)</sup> EVP, Land and Community Inclusion	2021	222,040	-	1,253,925	190,000	-	-	6,600	1,672,565
	2020	235,000	-	-	-	-	-	6,600	241,600
	2019	235,000	-	-	-	-	-	6,600	241,600
Kurt Molnar <sup>(3)</sup> SVP, Business Development	2021	218,948	-	1,097,231	190,000	-	-	6,600	1,512,779
	2020	154,362	222,980	-	-	-	-	6,600	383,942
	2019	26,325	-	591,784	-	-	-	1,100	619,209
Mike Hantzsch <sup>(3)</sup> SVP, Midstream and Market Development	2021	232,371	-	1,037,867	60,000	-	-	6,600	1,336,838
	2020	250,000	-	-	-	-	-	6,600	256,600
	2019	250,000	-	-	-	-	-	6,600	256,600

**Notes:**

- (1) The CEO did not receive compensation in his capacity as a director of Kiwetinohk.
- (2) Mr. Backus, Mr. Maniawski and Ms. Annesley were not employed by Kiwetinohk in 2020 or 2019. Their annual salaries (being \$300,000, \$325,000 and \$290,000, respectively) make them the three highest paid executive officers after the CEO and CFO currently, and they are expected to be NEOs for the 2022 year end but that could change. They were not NEOs for 2021 since they were appointed late in 2021. Accordingly, Ms. Kuethe, Mr. Molnar and Mr. Hantzsch were the three NEOs in addition to the CEO and CFO in 2021 and disclosure of their compensation has been provided as well. See above and note 3.
- (3) Ms. Kuethe, Mr. Molnar and Mr. Hantzsch were NEOs of Kiwetinohk prior to the appointments of Mr. Backus and Mr. Maniawski in November 2021 and of Ms. Annesley in September 2021.
- (4) The grant date fair value of the Option/Warrant-based awards are calculated using the Black-Scholes option pricing model on the date of grants which is consistent with the fair value determined in accordance with IFRS 2 Share-based Payment. Options granted in 2021, 2020 and 2019 were valued at \$5.33, N/A and \$5.33 per Option, respectively. The Performance Warrants were valued at \$3.63, N/A and \$3.63 per Performance Warrant for grants in 2021, 2020 and 2019, respectively. The key assumptions and estimations for this model include the current market price of the Common Shares, the exercise price of the Option/Warrant, the expected Option/Warrant term, the risk-free interest rate, the expected annual dividend per Common Share, the volatility of the price of the Common Shares and the estimated hold period prior to exercise. The actual value realized pursuant to such Option/Warrant-based awards may be greater or less than the indicated value. The assumptions used to calculate the fair value of the Options/Warrants using the Black-Scholes model for 2021, 2020 and 2019 Option and Performance Warrant grants are as follows:

Assumptions	Options			Performance Warrants		
	2021	2020	2019	2021	2020	2019
Exercise price (weighted average \$ per Option/ Performance Warrant)	\$10.00	N/A	\$10.00	\$20.00	N/A	\$20.00
Risk-free interest rate (%)	1.25	N/A	2.36	1.25	N/A	2.36
Expected annual dividend per Common Share (%)	-	N/A	-	-	N/A	-
Volatility of the Common Shares (%)	50	N/A	50	50	N/A	50
Estimated hold period prior to exercise (years)	7	N/A	7	6	N/A	7

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

The following tables set forth all awards outstanding for each NEO as at December 31, 2021, including awards granted before December 31, 2021.

Name	Option-Based Awards			Share-Based Awards			
	Number of Common Shares Underlying Unexercised Options (#)	Options Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid out or Distributed (\$)
Patrick Carlson	487,998	10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Jakub Brogowski	109,314	10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Mike Backus	15,000	10.00	November 11, 2028	--	--	--	--
John Maniawski	15,125	10.00	November 29, 2028	--	--	--	--
Janet Annesley	11,000	10.00	September 15, 2028	--	--	--	--
Sue Kuethe	104,110	10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Kurt Molnar	95,622	10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Mike Hantzsch	100,729	10.00	October 3, 2025 – June 28, 2028	--	--	--	--

**Notes:**

- (1) Based on the last equity price at which Common Shares were issued on December 6, 2021 of \$10.00 per Common Share. The Common Shares did not begin trading on the TSX until January 14, 2022.

Name	Performance Warrant-Based Awards			
	Number of Common Shares Underlying Unexercised Warrants (#) <sup>(1)</sup>	Warrant Exercise Price (\$) <sup>(2)</sup>	Warrant Expiration Date	Value of Unexercised in-the-money Warrants (\$) <sup>(3)</sup>
Patrick Carlson	1,342,000	20.00	October 3, 2025 – June 28, 2026	--
Jakub Brogowski	367,970	20.00	October 3, 2025 – June 28, 2026	--
Mike Backus	160,000	20.00	November 11, 2026	--
John Maniawski	160,250	20.00	November 29, 2026	--
Janet Annesley	152,000	20.00	September 15, 2026	--
Sue Kuethe	346,870	20.00	October 3, 2025 – June 28, 2026	--
Kurt Molnar	324,870	20.00	October 3, 2025 – June 28, 2026	--
Mike Hantzsch	326,260	20.00	October 3, 2025 – June 28, 2026	--

**Notes:**

- (1) No further grants of Performance Warrants will occur.  
(2) The Performance Warrants have exercise prices in tranches ranging from \$15.00 to \$25.00 per Common Share, with a weighted average exercise price of \$20.00 per Common Share.  
(3) Based on the last equity price at which Common Shares were issued on December 6, 2021 of \$10.00 per Common Share. The Common Shares did not begin trading on the TSX until January 14, 2022.

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

The following table sets forth incentive plan awards for each NEO for value vested or earned during the year ended December 31, 2021.

Name	Option -Based Awards —Value Vested During the Year <sup>(1)</sup> (\$)	Warrant- Based Awards — Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation — Value Earned During the Year (\$)
Patrick Carlson	Nil	Nil	--	--
Jakub Brogowski	Nil	Nil	--	--
Mike Backus	Nil	Nil	--	--
John Maniawski	Nil	Nil	--	--
Janet Annesley	Nil	Nil	--	--
Sue Kuethe	Nil	Nil	--	--
Kurt Molnar	Nil	Nil	--	--
Mike Hantzsch	Nil	Nil	--	--

**Note:**

(1) A market price of \$10.00 per Common Share on the applicable vesting dates was assumed as there was no market for the Common Shares on such dates. The Common Shares did not begin trading on the TSX until January 14, 2022.

## Termination and Change of Control Benefits

Kiwetinohk has employment agreements with each of its NEOs.

The employment agreement with each NEO of the Corporation other than Patrick Carlson provides that, in the event the Corporation terminates such NEO's employment without cause, Kiwetinohk must provide the terminated NEO with payment in lieu of notice in an amount equivalent to: (i) six months' of such NEO's annual base salary; plus (ii) two months' of such NEO's annual base salary for each completed year of service with the Corporation, up to a maximum of twelve months' of their annual base salary. For the purposes of the foregoing, "cause" is defined to include a material breach of the NEO's employment agreement, failure to perform their duties or to comply with Kiwetinohk policy, or any dishonest act, breach of fiduciary duties owed to the Corporation, or anything else that could constitute just cause at common law.

Kiwetinohk's employment agreement with Mr. Carlson provides that, in the event the Corporation terminates Mr. Carlson's employment for any reason other than just cause, death or disability, as further described in the relevant employment agreement, Kiwetinohk must pay an amount equal to the following amounts, less applicable deductions and withholdings required by law: (i) all accrued but unpaid salary for services rendered up to the termination date; (ii) the pro-rated value of any accrued but unused vacation entitlements; (iii) any accrued but unpaid expenses required to be reimbursed at the termination date; (iv) payment in lieu of termination notice as required by the *Employment Standards Code* (Alberta); (v) any declared but unpaid bonus as at the termination date; (vi) a severance amount equal to the monthly salary as at the termination date times a factor equal to the sum of 15 plus an additional three for each completed year of service under such employment agreement (provided that the factor shall not in any event exceed 24 and provided further that "salary" for the purposes of determining such payment shall be the greater of Mr. Carlson's actual salary at that time and \$250,000); and (vii) an amount equal to 7.5% of the amount paid under subsections (iv) and (vi) as compensation for the loss of employment benefits, which shall cease on the termination date (collectively, the "**Termination Benefits**").

For the purposes of the foregoing, "just cause" means any reason which would entitle Kiwetinohk to terminate Mr. Carlson's employment without notice or payment in lieu of notice at common law and includes but is not limited to: (i) fraud, misappropriation of company property, assets or funds, embezzlement,

malfeasance, misfeasance or nonfeasance in office which is willfully or grossly negligent on the part of the executive; (ii) conviction of, or plea (other than not guilty) by the executive to a criminal offence involving dishonesty or fraud, or which is likely to injure the Corporation's business or reputation; (iii) the willful allowance by the executive of his duty to the Corporation and the executive's personal interests to come into conflict in a material way in relation to any transaction or matter that is of a substantial nature; (iv) the material breach by the executive of any covenants or obligations under the employment agreement; (v) the failure by the executive to substantially perform his obligations in accordance with his employment agreement after the Corporation has given him reasonable notice of such failure and a reasonable opportunity to correct, or cause to be corrected, such failure; (vi) the intentional or negligent involvement or participation by the executive in any act which is materially injurious to the Corporation, financially or otherwise; or (vii) any information, reports, documents or certificates being furnished by the executive to the Board or any committee thereof which are intentionally false or misleading because they either include or fail to include material facts, including without limitation disclosure of conflicts of interest.

With respect to Mr. Carlson only, in the event that there is a change of control and there is no termination for just cause, the Corporation must pay Mr. Carlson an amount equal to the Termination Benefits, provided that the amount payable under subsection (vi) above be Mr. Carlson's monthly salary, being the greater of his salary at the time of the change of control and \$250,000, times a factor of 24. For the purposes of the employment agreement with Mr. Carlson, a "change of control" is defined to mean: (i) the acquisition of shares, or securities convertible into shares, of the Corporation, as a result of which the acquiring entity beneficially owns or exercises control or direction over shares which would entitle the acquiring entity to cast more than 50% of the votes attached to all shares in the capital of the Corporation which may be cast to elect directors of the Corporation; or (ii) the occurrence of: (a) an amalgamation, arrangement, merger or other consolidation of the Corporation whereby the acquiring entity beneficially owns or exercises control or direction over shares which would entitle the acquiring entity to cast more than 50% of the votes attached to all shares in the capital of the Corporation which may be cast to elect directors of the Corporation; (b) a liquidation, dissolution or winding up of the Corporation; or (c) a sale, lease or other disposition of all or substantially all of the assets of the Corporation.

### **Termination Payments**

The following table summarizes the incremental payments that would be received by each NEO in each circumstance where the NEO ceases to be employed by Kiwetinohk. The amounts shown in the table below are calculated based on positions held at December 31, 2021. These amounts do not include Options, Performance Warrants or compensation changes subsequent to the 2021 year-end. For purposes of this table, the termination date of each NEO is assumed to be December 31, 2021. For purposes of calculating the value of the Options and Performance Warrants upon termination, the share price on December 31, 2021 of \$10.00 less the applicable exercise price was utilized.

<b>Name and Principal Position</b>	<b>Termination for Cause</b>	<b>Termination other than for Cause<sup>(1)(2)</sup></b>	<b>Termination upon Change of Control<sup>(1)</sup></b>
<b>Patrick Carlson</b>			
Cash severance	--	\$ 547,837	\$ 250,000
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	<b>--</b>	<b>\$ 547,837</b>	<b>\$ 250,000</b>
<b>Jakub Brogowski</b>			
Cash severance	--	\$ 250,000	--
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	<b>--</b>	<b>\$ 250,000</b>	<b>--</b>
<b>Mike Backus</b>			
Cash severance	--	\$ 150,000	--
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	<b>--</b>	<b>\$ 150,000</b>	<b>--</b>
<b>John Maniawski</b>			
Cash severance	--	\$ 162,500	--

Name and Principal Position	Termination for Cause	Termination other than for Cause <sup>(1)(2)</sup>	Termination upon Change of Control <sup>(1)</sup>
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	--	\$ 162,500	--
<b>Janet Annesley</b>			
Cash severance	--	\$ 145,000	--
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	--	\$ 145,000	--
<b>Sue Kuethe</b>			
Cash severance	--	\$ 235,000	--
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	--	\$ 235,000	--
<b>Kurt Molnar</b>			
Cash severance	--	\$ 235,000	--
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	--	\$ 235,000	--
<b>Mike Hantzsch</b>			
Cash severance	--	\$ 250,000	--
Options (unvested and accelerated)	--	--	--
Performance Warrants (unvested and accelerated)	--	--	--
<b>Total</b>	--	\$ 250,000	--

**Notes:**

- (1) Cash severance calculations based on salary are based on annual salary for the year ended December 31, 2021.
- (2) In addition, any NEO terminated for any reason other than just cause shall be entitled to: (i) all accrued but unpaid salary for services rendered up to the termination date; (ii) the pro-rated value of any accrued but unused vacation entitlement as at the termination date for that portion of the calendar year in which the NEO was actively employed; (iii) any accrued but unpaid expenses at the termination date required to be reimbursed pursuant to such NEO's employment agreement; and (iv) any declared but unpaid bonus as at the termination date.

## DIRECTOR COMPENSATION

### Approach to Director Compensation

Kiwetinohk pays director compensation to attract and retain directors of the quality and with the skills required to oversee Kiwetinohk's business, taking into account the complexity of Kiwetinohk's operations and business. Kiwetinohk compensates directors for their accountability and risk, responsibility and preparation, on the basis that they devote time and attention to Kiwetinohk year-round and to reflect their fiduciary oversight and effectiveness. Kiwetinohk directors oversee Kiwetinohk's business and affairs and with a view to the best interests of Kiwetinohk.

Kiwetinohk did not have any formal compensation arrangements for its directors until 2022. All compensation paid to directors to the end of 2021 was in the form of Options and Performance Warrants. As with share-based compensation awards to officers and employees, awards of Options and Performance Warrants to directors have been ad hoc in nature and tied to the achievement of broader corporate milestones.

Directors are also reimbursed for transportation and other out-of-pocket expenses reasonably incurred for attendance at Board and committee meetings and in connection with the performance of their duties as directors.

For 2022, non-employee directors' fees are as follows:



Position	Annual Retainer <sup>(1)</sup>
Director (including Board Chair, Lead Director and Committee Chair)	\$110,000
Board Chair / Lead Director	\$40,000 (additional)
Committee Chair	\$7,500 (additional)

**Note:**

(1) Each director will receive at least 65% of their annual retainer in DSUs with the Board Chair and Lead Director also receiving \$20,000 of their additional fees in DSUs. Any director may elect to receive up to 100% of their annual retainer in DSUs.

In March 2022 the Board adopted a cash-based deferred share unit (**DSU**) plan. DSUs are used to satisfy the equity retainer. The number of DSUs granted is determined based on the five day VWAP for the Common Shares at the time of grant and the DSUs are settled in cash based on the trading price of the Common Shares when the director ceases to be a director of Kiwetinohk for any reason. This type of director compensation creates direct alignment with Shareholders – being tied exclusively to the trading price of the Common Shares.

### Director Compensation Table

The following table provides a summary of compensation earned by the non-employee directors of Kiwetinohk in the financial year ended December 31, 2021. It should be noted that the value of the Option/Warrant-Based Awards is their Black-Scholes value only and the ultimate value received for such awards, if any, will be tied to the trading price of the Common Shares if and when such awards are exercised.

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option/Warrant-Based Awards <sup>(3)</sup> (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Kevin Brown	Nil	Nil	416,947	Nil	Nil	Nil	Nil
William (Bill) Slavin <sup>(1)</sup>	Nil	Nil	416,947	Nil	Nil	Nil	Nil
Leland Corbett	Nil	Nil	470,616	Nil	Nil	Nil	Nil
Kaush Rakhit	Nil	Nil	433,043	Nil	Nil	Nil	Nil
Nancy Lever	Nil	Nil	377,734	Nil	Nil	Nil	Nil
Beth Reimer-Heck	Nil	Nil	125,911	Nil	Nil	Nil	Nil
Timothy Schneider <sup>(2)</sup>	Nil	Nil	-	Nil	Nil	Nil	Nil
Steven Sinclair	Nil	Nil	125,911	Nil	Nil	Nil	Nil

**Notes:**

(1) Mr. Slavin retired as a director on November 26, 2021.

(2) Mr. Schneider retired as a director on March 24, 2022.

(3) The grant date fair value of the Option/Warrant-based awards are calculated using the Black-Scholes option pricing model on the date of grants which is consistent with the fair value determined in accordance with IFRS 2 Share-based Payment. Options granted in 2021 were valued at \$5.33 per Option. The Performance Warrants were valued at \$3.63 per Performance Warrant in 2021. The key assumptions and estimations for this model include the current market price of the Common Shares, the exercise price of the Option/Warrant, the expected Option/Warrant term, the risk-free interest rate, the expected annual dividend per Common Share, the volatility of the price of the Common Shares and the estimated hold period prior to exercise. The actual value realized pursuant to such Option/Warrant-based awards may be greater or less than the indicated value. The assumptions used to calculate the fair value of the Options/Warrants using the Black-Scholes model for 2021 Option and Performance Warrant grants are as follows:

Assumptions	Options	Performance Warrants
	2021	2021
Exercise price (weighted average \$ per Option/ Performance Warrant/Capital Warrant)	\$10.00	\$20.00
Risk-free interest rate (%)	1.25	1.25
Expected annual dividend per Common Share (%)	–	–
Volatility of the Common Shares (%)	50	50
Estimated hold period prior to exercise (years)	7	6

## Outstanding Share-Based Awards and Option-Based Awards – Directors

The following table provides a summary of all awards outstanding for each of the directors of Kiwetinohk (other than Patrick Carlson, who received no awards in his capacity as a director) at the end of December 31, 2021, including awards granted before December 31, 2021.

Name	Option-Based Awards			Share-Based Awards			
	Number of Securities Underlying Unexercised Options (#) <sup>(1)</sup>	Options Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that have not Vested (#)	Market or Payout Value of Share-Based Awards that have not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid out or Distributed (\$)
Kevin Brown <sup>(2)</sup>	52,932	\$10.00	October 3, 2025 – June 28, 2028	--	--	--	--
William (Bill) Slavin <sup>(2)(3)</sup>	52,932	\$10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Leland Corbett	62,998	\$10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Kaush Rakhit	55,951	\$10.00	October 3, 2025 – June 28, 2028	--	--	--	--
Nancy Lever <sup>(2)</sup>	30,000	\$10.00	June 28, 2028	--	--	--	--
Beth Reimer-Heck	10,000	\$10.00	November 23, 2028	--	--	--	--
Timothy Schneider <sup>(4)</sup>	10,000	\$10.00	November 23, 2028	--	--	--	--
Steven Sinclair	10,000	\$10.00	November 23, 2028	--	--	--	--
Performance Warrant-Based Awards							
Name	Number of Securities Underlying Unexercised Warrants (#) <sup>(1)</sup>	Warrant Exercise Price (\$)	Warrant Expiration Date	Value of Unexercised in-the-money Warrants (\$) <sup>(1)</sup>			
Kevin Brown <sup>(2)</sup>	158,530	\$20.00	October 3, 2025 – June 28, 2026	--			
William (Bill) Slavin <sup>(2)(3)</sup>	158,530	\$20.00	October 3, 2025 – June 28, 2026	--			
Leland Corbett	158,530	\$20.00	October 3, 2025 – June 28, 2026	--			
Kaush Rakhit	158,530	\$20.00	October 3, 2025 – June 28, 2026	--			
Nancy Lever <sup>(2)</sup>	60,000	\$20.00	June 28, 2026	--			
Beth Reimer-Heck	20,000	\$20.00	November 23, 2026	--			
Timothy Schneider <sup>(4)</sup>	20,000	\$20.00	November 23, 2026	--			
Steven Sinclair	20,000	\$20.00	November 23, 2026	--			

**Notes:**

- (1) Based on the last equity price that Common Shares were issued in 2021 on December 6, 2021 at \$10.00 per Common Share.
- (2) Options and Performance Warrants granted to Kevin Brown, William (Bill) Slavin and Nancy Lever are held by such individuals for the benefit of ARC (or its fund manager or general partner).
- (3) Mr. Slavin retired as a director on November 26, 2021.
- (4) Mr. Schneider retired as a director on March 24, 2022.

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

The following table sets forth incentive plan awards for each director for value vested or earned during the year ended December 31, 2021 (other than Patrick Carlson, who received no awards in his capacity as a director).

Name	Option/Warrant-Based Awards — Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards — Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation — Value Earned During the Year (\$)
Kevin Brown <sup>(2)</sup>	Nil	--	--
William (Bill) Slavin <sup>(2)(3)</sup>	Nil	--	--
Leland Corbett	Nil	--	--
Kaush Rakhit	Nil	--	--
Nancy Lever <sup>(2)</sup>	Nil	--	--
Beth Reimer-Heck	Nil	--	--
Timothy Schneider <sup>(4)</sup>	Nil	--	--
Steven Sinclair	Nil	--	--

**Notes:**

- (1) A market price of \$10.00 per Common Share on the applicable vesting dates was assumed as there was no market for the Common Shares on such dates. The Common Shares did not begin trading on the TSX until January 14, 2022.
- (2) Options and Performance Warrants granted to Kevin Brown, William (Bill) Slavin and Nancy Lever are held by such individuals for the benefit of ARC (or its fund manager or general partner).
- (3) Mr. Slavin retired as a director on November 26, 2021.
- (4) Mr. Schneider retired as a director on March 24, 2022.

**Indemnity Agreements for Directors and Officers**

Kiwetinohk has entered into indemnity agreements with each of the directors and officers pursuant to which Kiwetinohk has agreed to indemnify such directors and officers from liability arising in connection with the performance of their duties. Such indemnity agreements conform to the provisions of the CBCA.

**INDEBTEDNESS OF DIRECTORS AND OFFICERS**

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

Upon closing of the Business Combination, certain directors and/or officers of Distinction incurred indebtedness to the Corporation for withholding tax on the surrender and exchange of their restricted share units of Distinction in an aggregate amount of approximately \$0.6 million which was repaid subsequent to December 31, 2021.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise set out in Kiwetinohk's 2021 annual information form, available on SEDAR, there is no material interest, direct or indirect, of any: (a) director or executive officer of Kiwetinohk; (b) person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of Kiwetinohk's voting securities; or (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) above in any transaction since the commencement of Kiwetinohk's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Kiwetinohk.

## CORPORATE GOVERNANCE

The disclosure set out below includes disclosure required by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") describing the Corporation's approach to corporate governance.

### Board of Directors

The Board of Directors of Kiwetinohk consists of the following individuals, more than 3/4 of which are independent:

<u>Name of Individual</u>	<u>Status on Board</u>
Kevin Brown	Director, Chair of the Board; Non-Independent
Beth Reimer-Heck	Director, Independent
Judith Athaide	Director, Independent
Patrick Carlson	Director, CEO and President; Non-Independent
Leland Corbett	Director, Independent
Nancy Lever	Director, Independent
Kaush Rakhit	Director, Independent
Steven Sinclair	Director, Independent
John Whelen	Director, Independent

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on the Board's knowledge of each director's relationships with Kiwetinohk as well as information provided by each director, the Board has determined that: (i) Mr. Rakhit, Mr. Corbett, Ms. Lever, Mr. Sinclair, Ms. Reimer-Heck, Ms. Athaide and Mr. Whelen are independent within the meaning set out in NI 58-101; (ii) Mr. Carlson is not independent within the meaning set out in NI 58-101 as he is the CEO of Kiwetinohk; and (iii) Mr. Brown is not independent within the meaning set out in NI 58-101 as he is an executive officer and/or director of ARC Financial Corp. and of the general partners of the limited partnerships comprising ARC, which hold an aggregate of approximately 62% of the issued and outstanding Common Shares as of the date of this Information Circular.

With respect to Mr. Rakhit, although he is an executive officer, director and owner of a company which provides certain products and services to Kiwetinohk, the Board has determined that Mr. Rakhit is independent and capable of exercising independent judgment after considering, among other things: (i) that Mr. Rakhit's company does not provide consulting services to the Corporation in which Mr. Rakhit has an active role; (ii) that Mr. Rakhit's company provides similar services to other energy companies at similar pricing; (iii) Mr. Rakhit's Common Share ownership position in the Corporation and his personal financial circumstances; and (iv) the statutory guidance with respect to the meaning of independence.

With respect to Mr. Corbett, although the law firm of which he is a partner, Stikeman Elliott LLP, provides legal services to Kiwetinohk, the Board has determined that Mr. Corbett is independent and capable of exercising independent judgment after considering, among other things: (i) that Mr. Corbett does not provide legal services to the Corporation; (ii) that the fees charged by Stikeman Elliott LLP to the Corporation are less than 1% of Stikeman Elliott's total revenues; (iii) Mr. Corbett's equity ownership in Stikeman Elliott LLP; (iv) Mr. Corbett's Common Share ownership position in the Corporation and his personal financial circumstances; and (v) the statutory guidance with respect to the meaning of independence.

With respect to Ms. Lever, although she is an employee of ARC Financial Corp. and provides consulting services to Kiwetinohk, the Board has determined that Ms. Lever is independent and capable of exercising independent judgment after considering, among other things: (i) that Ms. Lever is not an executive officer and/or director of ARC Financial Corp. like Mr. Brown; (ii) that Ms. Lever has not been and is not an employee of the Corporation or remunerated for the provision of consulting services to the Corporation; (iii) Ms. Lever's Common Share ownership position in the Corporation and her personal financial circumstances; and (iv) the statutory guidance with respect to the meaning of independence.

The Board believes that given its size and structure, it is organized properly, functions effectively and is able to facilitate independent judgment in carrying out its responsibilities, including those set forth in the mandate of the Board. To enhance such independent judgement, while the Corporation's independent directors may not hold regularly scheduled meetings at which the non-independent directors and management are not in attendance, at the end of, or during, each Board meeting, the members of management who are present at such meeting, including the non-independent directors, will leave the meeting in order that the independent directors can discuss any necessary matters without management and any non-independent directors being present.

Kevin Brown, the Chair of the Board, is not independent. However, Beth Reimer-Heck has been appointed as the Lead Director by the Board and is responsible for ensuring that the directors who are independent have opportunities to meet without management and non-independent directors, as required. The Lead Director will be appointed and replaced from time to time by a majority of independent directors and will be an independent director. Discussions among the independent directors will be led by the Lead Director who will provide feedback subsequently to the Chair.

Kiwetinohk does not have a formal policy on board interlocks, however it does monitor the other public directorships held by its members. A board interlock occurs when two of the Corporation's directors also serve together on the board of another reporting issuer. As of the date of this Information Circular, there are no board interlocks among the Board members.

### **Majority Voting Policy**

In accordance with the requirements of the TSX, Kiwetinohk has adopted a majority voting policy, which requires that any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall tender his or her resignation to the Chair of the Board following the meeting of Shareholders at which the directors were elected. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors being elected. This policy shall also not apply where an election involves a proxy contest, i.e., where proxy materials are circulated, a solicitation of proxies is carried out and/or public communications are disseminated in support of one or more nominees who are not part of the director nominees supported by the Board or public communications are disseminated, against one or more nominees who are supported by the Board. The Governance and Nominating Committee shall consider the resignation and recommend to the Board whether or not to accept such resignation. In doing so, the Governance and Nominating Committee may consider any stated reasons as to why Shareholders withheld votes from the election of the relevant director, the effect such resignation may have on the Corporation's ability to comply with applicable corporate or securities law requirements, applicable regulations or commercial agreements regarding the composition of the Board and any other factors that the members of the Governance and Nominating Committee consider relevant. The nominee shall not participate in any meeting of the Board or

of any committee of the Board at which his or her resignation is considered. The Board must accept the resignation, except in situations where exceptional circumstances would warrant the nominee continuing to serve on the Board. The Board must act on the Governance and Nominating Committee's recommendation within 90 days following the applicable meeting of Shareholders and announce its decision through a press release after considering the factors identified by the Governance and Nominating Committee and any factors that the members of the Board consider relevant. Subject to any applicable corporate law restrictions or requirements, and the articles and by-laws of the Corporation, if a resignation is accepted, the Board may leave the resulting vacancy unfilled until the next annual general meeting of Shareholders. Alternatively, it may fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the Shareholders, or it may call a special meeting of Shareholders at which there will be presented a management nominee or nominees to fill the vacant position or positions. See "*Nominees for Election to the Board of Directors*" in this Information Circular.

### **Board Mandate**

The Board, either directly or through its committees, is responsible for the supervision of management of Kiwetinohk's business and affairs with the objective of enhancing Shareholder value. A copy of the mandate of the Board is attached to this Information Circular as Schedule "A".

The Board has also established Board and committee guidelines for the operations of its Board and committee meetings in line with effective governance practices to provide clarity and direction to the Board and its committee members on operational meeting matters such as committee composition, voting, quorum, circulation of meeting materials and reporting expectations to the Board.

### **Meeting Attendances**

The Board held 10 formal Board meetings during the year ended December 31, 2021. Each director of Kiwetinohk, who was a director at the time of the meeting, attended all of the formal Board meetings.

### **Board Committees**

The Board currently has five committees: (a) the Audit Committee, Chaired by Steven Sinclair and including Kevin Brown, Beth Reimer-Heck and John Whelen; (b) the Reserves Committee, Chaired by Kaush Rakhit and including Nancy Lever and Pat Carlson; (c) the Compensation Committee, Chaired by Leland Corbett and including Nancy Lever, Kaush Rakhit, Steven Sinclair and John Whelen; (d) the Sustainability Committee, Chaired by Nancy Lever and including Beth Reimer-Heck, Leland Corbett, Pat Carlson and Judith Athaide; and (e) the Governance and Nominating Committee, Chaired by Beth Reimer-Heck and including Kevin Brown, Judith Athaide and Leland Corbett.

### **Audit Committee**

The primary function of the Audit Committee is to assist the Board by: (a) overseeing the nature and scope of the Corporation's annual independent audit and the integrity of the Corporation's financial statements; (b) overseeing the Corporation's external independent auditor's performance, qualifications and independence; (c) overseeing management's implementation and maintenance of an effective system of internal controls over cash management and financial reporting; (d) overseeing the Corporation's legal and regulatory compliance requirements with respect to financial management and reporting; (e) overseeing the Corporation's financial risk management programs including insurance, cash management, hedging, marketing and debt; (f) overseeing the Corporation's systems of financial disclosure control and procedures; and (g) recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information.

### ***Reserves Committee***

The primary function of the Reserves Committee is to assist the Board by: (a) appointing and approving, on behalf of the Board, Kiwetinohk's independent reserves evaluator; (b) overseeing the work of the independent reserves evaluator, including understanding the nature and resolution of disagreements between such evaluator and management; and (c) reviewing the Corporation's procedures relating to disclosure of information with respect to oil and gas reserves and resources and other oil and gas activities.

### ***Compensation Committee***

The primary function of the Compensation Committee is to assist the Board by: (a) reviewing and approving Kiwetinohk's goals and objectives, and structuring, reviewing and approving and then recommending to the Board the compensation of the CEO and other members of the senior management team of the Corporation in light of those goals and objectives; (b) structuring, reviewing and approving the compensation of each director of the Corporation; (c) administering Kiwetinohk's compensation plans for senior management, including stock-based compensation and such other compensation plans or structures as are adopted by the Corporation from time to time; (d) providing broad oversight of Kiwetinohk's compensation strategy including a charge to ensure Kiwetinohk is able to secure and maintain employment of, and train and develop the skills of persons with the talent to enable Kiwetinohk to meet its business objectives and execute its business strategies; (e) assessing the performance of the CEO and other key personnel; (f) regularly reviewing Kiwetinohk's, executive recruiting and executive skill development and succession planning processes with a view to ensuring that Kiwetinohk rigorously manages the risk of loss of hard-to-replace personnel; and (g) reviewing and approving Kiwetinohk's hiring, and employee career development practices with respect to diversity and inclusion.

### ***Sustainability Committee***

The primary function of the Sustainability Committee is to assist the Board by: (a) overseeing Kiwetinohk's policies and management systems which are designed to cause it to comply with applicable laws and regulations; (b) identifying issues and risks and opportunities to differentiate, strategies, policies and management controls designed to ensure safe and responsible operations; (c) manage risks and capture opportunities associated with sustainability matters, including health, safety, environment (including climate change) and relationships with all of the stakeholders identified in Kiwetinohk's corporate mandate; (d) reviewing and commenting upon management's strategies to enhance Kiwetinohk's image among its stakeholders; and (e) evaluating the performance of Kiwetinohk with respect to the matters identified in the paragraphs above.

### ***Governance and Nominating Committee***

The primary function of the Governance and Nominating Committee is to assist the Board by: (a) ensuring effective corporate governance as one of the main factors in creating long-term sustainable value for its Shareholders; (b) reviewing the Corporation's policies pertaining to the Corporation's governance practices, values, principles or the Code of Conduct; (c) overseeing the process of assessing the effectiveness of the Board as a whole (including any committees thereof) as well as discussing the contribution of individual members; (d) overseeing the process of assessing the performance of each director of the Corporation; (e) periodically assessing the Corporation's governance, including reviewing recommendations of governance and shareholder advisory organizations and participation in benchmarking studies undertaken by such organizations to assess its governance practices in relation to those of other issues in a wide range of industries and geographies; (f) proposing new nominees for appointment to the Board; and (g) recommending to the Board to consider measures to seek the resignation or removal of directors, when deemed appropriate, and policies and measures regarding director diversity, tenure, succession and renewal initiatives.

Kiwetinohk is committed to having and developing leaders at all levels that exemplify the Corporation's core values and principles and are able to effectively execute the Corporation's business strategies and

objectives. To ensure that Kiwetinohk has such leaders into the future, a management succession plan is currently being developed.

### **Orientation and Continuing Education**

The Governance and Nominating Committee is responsible for the orientation and continuing education of the members of the Board. As new directors join the Board, they will be provided with, among other things, corporate policies, historical information about Kiwetinohk, information on Kiwetinohk's performance and its strategic plan and an outline of the general duties and responsibilities entailed in carrying out their duties. New directors are provided the opportunity to meet with the Chair, the Lead Director, the CEO, and other members of management to discuss the role and responsibilities of individual directors, the Board and its committees and to gain an understanding and appreciation for the Corporation's business, operations, strategic objectives and core values. The Corporation provides such other orientation and information as requested or deemed advisable.

Kiwetinohk encourages and, with the approval of the Chair, will cover expenses associated with directors attending, enrolling or participating in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of Kiwetinohk has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

### **Ethical Business Conduct**

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations, providing guidance to employees to help them recognize and deal with ethical issues, promoting a culture of open communication, honesty and accountability and ensuring awareness of disciplinary action for violations of ethical business conduct. In connection with its commitment to ensuring the ethical operation of the Corporation, the Board has adopted the Code of Conduct, a copy which is available under the Corporation's profile at [www.sedar.com](http://www.sedar.com), and on its website at [www.kiwetinohk.com](http://www.kiwetinohk.com). The Board looks to the CEO to advance Kiwetinohk's business in accordance with the Code of Conduct. The Code of Conduct prescribes the expectations Kiwetinohk has of those in its service with respect to communicating with and satisfying stakeholders. Each director, officer, employee, contractor, consultant, representative and agent of the Corporation must comply with the code of business ethics. Compliance with the code of business ethics is a condition of employment for each employee of the Corporation. Employees are obligated to promptly report any problems or concerns or any potential or actual violation of the Code of Conduct in accordance with the procedures established therein. The Board monitors compliance with the code of business ethics through reports of management to the Board and requires that all persons subject to the Code of Conduct provide an annual certification of compliance with the Code of Conduct.

In accordance with the CBCA, directors of the Corporation are subject to the statutory duties of care and loyalty, the latter of which requires directors to act as a fiduciary in the best interests of the Corporation while considering the interests of individual stakeholders (or classes thereof) and treating them equitably and fairly. These duties require directors to make full disclosure of and take active steps to avoid conflicts of interest and mandate that directors, both during their term and after, are precluded from making use of any corporate opportunities, which at all times remain the property of the Corporation. Kiwetinohk expects its directors to comply with these duties at all times.

The Corporation wishes to instill in its employees and contractors the duty to ask questions and vocalize concerns, to detect potential violations of questionable or inappropriate practices early, and, moreover, to earn a reputation for a workplace where questions are raised routinely without fear of any form of discrimination, retaliation or harassment. The Board has accordingly also adopted a whistleblower policy which provides directors, officers, employees, service providers, suppliers and contractors with the ability to report, on a confidential and anonymous basis, any violations within Kiwetinohk including (but not limited to) questionable business practices, inappropriate accounting treatment, inadequate internal controls, auditing matters (including misleading or excessive influence), disclosure of fraudulent or misleading financial information, fraud, misappropriation of corporate assets, any activity believed to be illegal,



unethical or dangerous to people or the bio/physical environment, breaches of the Code of Conduct, actions that have the effect of concealing any of the forgoing, or general complaint. The Board believes that providing a forum for directors, officers, employees, service providers, suppliers and contractors to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness foster a culture of ethical conduct.

### **Nomination of Directors**

The Board has a Governance and Nominating Committee which is responsible for recommending nominees for election to the Board. The majority of the members of the Governance and Nominating Committee are independent. The Governance and Nominating Committee is responsible for recommending suitable candidates for nomination for election or appointment as a director, and recommending the criteria governing the overall composition of the Board and governing the desirable characteristics for directors. In making such recommendations, the Governance and Nominating Committee is expected to consider: (a) the competence and skills that the Board considers to be necessary for the Board, as a whole, to possess; (b) the competence and skills of the existing members of the Board; (c) the needs of the Board and the competencies and skills each new nominee would bring to the Board; (d) any contractual arrangements of the Corporation that provide third party nomination rights; (e) whether or not each new nominee can devote sufficient time and resources to his or her duties as a member of the Board; and (f) any diversity and inclusion policies and/or goals of the Board.

The Governance and Nominating Committee will also review, on a periodic basis, the composition of the Board, and will analyze the needs of the Board and recommend nominees who meet such needs.

ARC and Luminus have, in certain circumstances, the right to nominate members to the Board under the investment rights agreement between Kiwetinohk and each of ARC and Luminus, respectively. See “*Nominees for Election to the Board of Directors*”.

### **Compensation**

The Compensation Committee is responsible for determining compensation for the directors. The members of the Compensation Committee are independent. The Compensation Committee is responsible for determining compensation for the CEO and other officers. See “*Compensation Discussion and Analysis*” and “*Board Committees – Compensation Committee*”.

### **Board Assessments**

The Governance and Nominating Committee is responsible for overseeing the assessment of the effectiveness of the Board, its committees, Board Chair, Lead Director and the individual directors. This is expected to be done through structured interviews and/or surveys with each Board and committee member. The results of these interviews and/or surveys for the Board and each director will be compiled, reviewed and ultimately communicated to the entire Board.

The Governance and Nominating Committee, with the participation of the Chair, may recommend changes to enhance Board performance based on these assessments as well as based on its review and assessment of the Board structure and individuals in relation to current industry and regulatory expectations.

### **Position Descriptions**

The Board has approved written position descriptions or terms of reference for the Chair, the Lead Director and the chair of each of the Audit Committee, the Reserves Committee, the Compensation Committee, the Sustainability Committee and the Governance and Nominating Committee. The Board has also developed a written position description for the CEO.

## **Director Term Limits and Other Mechanisms of Board Renewal**

Kiwetinohk has not implemented formal term limits for its directors. Kiwetinohk values the comprehensive knowledge of the Corporation and its operations that long-serving directors possess and the contribution that this makes to the Board as a whole. The Governance and Nominating Committee, in proposing nominees to the Board, will take into consideration whether any board renewal is necessary.

## **Policies Regarding the Identification and Nomination of Designated Groups on the Board**

Kiwetinohk has adopted a written Diversity and Inclusion Policy outlining its diversity and inclusion goals, why it places high value on diversity and inclusion, and how it sets about making progress and continuous improvements with respect to diversity and inclusion. For the purposes of this Information Circular, and in accordance with the CBCA, “designated groups” include women, Indigenous peoples, persons with disabilities, and members of visible minorities.

While Kiwetinohk does not have a specific policy with respect to the identification and nomination of designated groups on the Board, Kiwetinohk considers diversity of race, ethnicity, gender, age, national origin, Indigenous status, disability, sexual orientation, visible minority status, cultural background, professional experience and other factors in evaluating candidates for Board membership. The Board acknowledges the importance of diversity, including gender diversity, in the review and consideration of potential director nominees. The Board evaluates potential nominees to the Board by reviewing individual qualifications of prospective members and determining if the candidates’ qualifications will meaningfully contribute to the effective functioning of the Board, taking into consideration the then current Board composition or diversity and the anticipated skills required to round out the capabilities of the Board.

## **Consideration of the Representation of Designated Groups in the Director Identification and Selection Process**

Embracing and promoting diversity is a key value of Kiwetinohk. The Board considers the level of representation of designated groups on the Board in identifying and nominating Board members. The number of directors that are members of designated groups on the Board is a factor that the Governance and Nominating Committee will consider when recommending new nominees for the Board having regard to then current and future Board composition, and the anticipated skills required to round out the capabilities of the Board, including knowledge and diversity of membership. Selection of candidates to the Board will be, in part, dependent upon the pool of such candidates with the necessary skills, knowledge and experience. The ultimate decision will be based on merit and contribution the chosen candidate will bring to the Board.

## **Consideration Given to the Representation of Designated Groups in Senior Management**

The Board considers the level of representation of designated groups in senior management positions when making senior management appointments. For the purposes of this Information Circular, and in accordance with the CBCA, senior management includes the Chair of the Board, Kiwetinohk’s CEO and CFO, vice-president in charge of a principal business unit, division or function, including sales, finance or production, and anyone who performs a policy-making function within the Corporation. As of December 31, 2021, there were ten members of senior management at Kiwetinohk.

Kiwetinohk is committed to the fundamental principles of equal employment opportunities with a foundation based on treating people fairly, with respect and dignity, and to offering equal employment opportunities based upon an individual’s qualifications and performance free from discrimination or harassment because of race, colour, ancestry, place of origin, religion, gender, sexual orientation, age, marital status, family status, physical or mental disability. Furthermore, Kiwetinohk’s employment procedures provide that the primary considerations for selecting candidates would include experience, skill and ability, while giving consideration to the importance of diversity, including gender diversity, when recruiting employees and

when appointing executive officers. Kiwetinohk acknowledges the importance of diversity, including gender diversity, in the workplace.

These considerations are formalized in Kiwetinohk's Diversity and Inclusion Policy, which was approved on January 4, 2022 and is available on Kiwetinohk's website at [www.kiwetinohk.com](http://www.kiwetinohk.com).

### **Targets Regarding the Representation of Designated Groups on the Board and in Senior Management Positions**

Kiwetinohk has not adopted a target regarding designated groups on the Board or in senior management positions. When filling any vacant or new positions, the focus is on attracting the competencies that best meet the needs of the Board or Kiwetinohk at the relevant point in time. In reviewing Board composition, the Governance and Nominating Committee will consider all aspects of diversity including, but not limited to, gender and race. While Board diversity is a key critical consideration, all Board appointments are made on merit, in the context of skills, experience, independence and knowledge which the Board as a whole requires to be effective. For senior management positions, Kiwetinohk's focus is on attracting the competencies that best meet the needs of Kiwetinohk at the relevant point in time, with the intention of having designated groups represented at all levels of the organization. Kiwetinohk takes the approach of continually striving to improve through the creation and implementation of policies and the fostering of a culture that is encouraging and accepting of diversity, rather than setting targets.

### **Number of Designated Groups on the Board and in Senior Management Positions**

As of the date of this Information Circular, three of nine (33%) of the directors on the Board and three of eleven (27%) members of senior management are women. In 2022 and going forward, Kiwetinohk intends to provide a questionnaire to its Board and management to allow such members to self-identify as being members of a "designated group" as provided for in the CBCA (being women, persons with disabilities, Indigenous peoples and visible minorities). Such self-identification did not occur in 2021.

## **ENVIRONMENTAL AND SOCIAL GOVERNANCE**

Kiwetinohk supports and promotes: (a) the protection of the health and safety of all persons associated with Kiwetinohk's operations, including employees, contractors and service providers; (b) the protection of the biophysical environment; and (c) the relationship of Kiwetinohk with the communities nearest to its operations through the implementation and communication of Kiwetinohk's health, safety, environmental protection and community engagement programs, policies and procedures.

Kiwetinohk has established guidelines and management systems to promote compliance with health, safety and environmental laws. Kiwetinohk endeavors to ensure that on an ongoing basis, it is in material compliance with health, safety and environmental regulations. The Sustainability Committee of the Board oversees Kiwetinohk's policies and management systems designed to cause it to comply with applicable laws and regulations, including those in regard to sustainability, health, safety and environmental matters. See "*Board Committees – Sustainability Committee*". The mandate for the Sustainability Committee is available on the Corporation's website at [www.kiwetinohk.com](http://www.kiwetinohk.com).

In the summer of 2022, Kiwetinohk will release its inaugural ESG report, which will be available for review on the Corporation's website at [www.kiwetinohk.com](http://www.kiwetinohk.com).

## **DIRECTOR APPROVAL**

The undersigned hereby certifies that the contents and the sending of this Information Circular have been approved by the Board.

Dated at Calgary, Alberta this 11<sup>th</sup> day of May, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
KIWETINOHK ENERGY CORP.**

*(signed)* “Kevin Brown”  
Chair of the Board

## SCHEDULE “A” - BOARD OF DIRECTORS MANDATE

The Board of Directors’ Mandate was adopted by the Board on November 23, 2021. The Mandate is set out in its entirety below.

### 1.0 Purpose and Scope

The members of the Board oversee the conduct of the business of Kiwetinohk and the activities of management who are responsible for the day-to-day conduct of the business. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and each Director will act honestly and in good faith with a view to the best interests of the Corporation.

### 2.0 Definitions

“**Board**” means Kiwetinohk’s board of directors.

“**CEO**” means Chief Executive Officer of the Corporation.

“**Code of Conduct**” means the Corporate Mandate and the Management Conduct policies as they may be amended from time to time, in aggregate.

“**Committee**” means any committees of the Board.

“**Director**” means an individual member of the Board.

“**Independent Director**” means a Director with no direct or indirect “material relationship” (as such term is defined in National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators) with the Corporation.

“**Kiwetinohk**” or the “**Corporation**” means Kiwetinohk Energy Corp. and includes its subsidiaries where the context requires.

“**Observer**” means any person that the Corporation, with the approval of the Board, has agreed to allow to attend meetings of the Board.

“**Secretary**” means a Corporate Secretary, appointed by the Board (or in his or her absence a secretary who has been appointed for the purposes of a meeting).

### 3.0 Principles and Rules

#### 3.1 Composition

The Board shall be comprised of a majority of Independent Directors. The Board shall appoint a Chair of the Board from among its members. The role of the Chair of the Board is to act as the leader of the Board, to manage and coordinate the activities of the Board and to oversee execution by the Board of this written mandate. If the Chair of the Board is not an Independent Director, a majority of the Board’s Independent Directors shall appoint a Lead Director from among the Independent Directors, who will be responsible for ensuring that the Independent Directors and management have opportunities to meet without management and Directors that are not Independent Directors, as required, and will assume such other responsibilities as the Independent Directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

The Board may, from time to time, engage consultants or members of the Corporation's management team who are not Directors including Observers and these persons may attend meetings or portions of meetings as invited guests of the Board. Otherwise, the Board will consist only of Directors and only Directors and a Corporate Secretary may attend meetings of the Board. Directors who wish to include a guest, other than a named Observer, for any portion of the meeting should arrange that inclusion with the Chair prior to the meeting.

### **3.2 Operation**

The Board operates by delegating certain of its authorities to management and by reserving certain powers to itself. The Board retains the responsibility of managing its own affairs including selecting its Chair, any Lead Director, nominating candidates for election to the Board (except that any member of management who is also a shareholder shall also have the same rights of any shareholder to nominate candidates for election to the Board), constituting Committees and determining Director compensation. Subject to the articles and by-laws of the Corporation and the *Canada Business Corporations Act*, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to Committees.

The Board will hold regularly scheduled meetings as prescribed in the Board and Committee Meeting Guidelines of the Corporation, with special meetings called as necessary. The Board shall meet at the end of its regular scheduled meetings *in camera* without guests, Observers or members of management and, further without any guest, Observers, members of management or any Directors that are not Independent Directors being present. *In camera* meetings are not to be used to make decisions in which the excluded directors do not have a conflict.

The Chair of the Board presides at all meetings of the Board and shareholders. Minutes of each meeting shall be prepared by the Secretary. The CEO, if he or she is not a Director, will be available to attend all meetings of the Board or Committees upon invitation by the Board or any such Committee. The President and Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board. Following each meeting, the Secretary will promptly report to the Board by way of providing draft copies of the minutes of the meetings. Supporting schedules and information reviewed by the Board at any meeting shall be available for examination by any Director upon request to the CEO.

### **3.3 Responsibilities**

The Board is responsible under law to supervise the management of the business and affairs of the Corporation. In broad terms, the stewardship of the Corporation involves the Board in strategic planning, risk identification, management and mitigation, senior management determination, succession planning, communication planning and internal control integrity.

#### **3.3.1 Specific Duties**

Without limiting the foregoing, the Board shall have the following specific duties and responsibilities:

**(a) *Fostering Corporate Culture***

The Board has the responsibility to:

- (i) Direct or aid management to define those characteristics of performance and behavior which contribute to the desired Corporate Culture.
- (ii) Establish performance measures and assess the performance of the Corporation in the service of its stakeholders as defined in the Code of Conduct.
- (iii) Support measures to train senior management to demonstrably live in accordance with the Code of Conduct.
- (iv) Measure the CEO and senior management as to exemplary leadership in performing in accordance with the Code of Conduct seeking excellence set by “tone at the top.”

**(b) *Strategy Determination***

The Board has the responsibility to:

- (i) adopt a strategic planning process for the Corporation and to participate with management directly or through its Committees in approving goals and the strategic plan (on at least an annual basis) for the Corporation by which the Corporation proposes to achieve its goals and take into account the opportunities and risks of the business;
- (ii) develop and approve the corporate goals and objectives the CEO is responsible for meeting;
- (iii) monitor the implementation and execution of the tasks constituent to the corporate strategy;
- (iv) monitor the appropriateness of the Corporation’s capital structure, including:
  - (A) approving the borrowing of funds and the establishment of credit facilities;
  - (B) approving issuances of additional shares or other securities of the Corporation, including securities convertible into shares, to the public or otherwise and any offering documents, such as prospectuses; and
  - (C) establish limits of authority delegated to management.

**(c) *Managing Risk***

The Board has responsibility for the oversight of management’s identification and evaluation of the Corporation’s principal risks, including (without limitation) environment, climate-related and social risks, and the implementation of policies, processes and systems to manage or mitigate

the risks to achieve an appropriate balance between the risks incurred and potential benefits to the Corporation's stakeholders.

**(d) *Appointment, Training Monitoring and, if deemed prudent, dismissing Senior Management***

The Board has the responsibility:

- (i) to appoint the CEO and establish a position description of the CEO's responsibilities and other senior management's responsibilities, to monitor and assess the CEO's performance, to determine the CEO's compensation and to provide advice and counsel in the execution of the CEO's duties;
- (ii) to approve the appointment and remuneration of the Corporation's senior management;
- (iii) to establish provisions for the training and development of management and for the orderly succession of management;
- (iv) terminate the CEO if the Board deems the CEO to be less than fit for duty other temporary absence due to illness or compassionate leave; and
- (v) direct the termination of any employee.

**(e) *Reporting and Communication***

- (i) to ensure compliance with the reporting obligations of the Corporation, including that the financial performance of the Corporation is properly reported to stakeholders, including shareholders, other security holders and regulators on a timely and regular basis;
- (ii) to recommend to shareholders of the Corporation a firm of certified professional accountants to be appointed as the Corporation's auditors;
- (iii) to ensure that the financial results of the Corporation are reported fairly and in accordance with generally accepted accounting principles;
- (iv) to ensure the timely reporting of any change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of the securities of the Corporation;
- (v) to ensure the independent oil and gas reserves report of the Corporation is prepared in accordance with generally accepted engineering principles and applicable securities laws;
- (vi) to review the Corporation's approach to sustainability reporting, including the manner in which stakeholder concerns with respect to the environment, climate change, social issues and governance are addressed;



- (vii) to establish a process for direct communications with shareholders and other stakeholders through appropriate Directors and/or Independent Directors, including through the Whistleblower Policy;
- (viii) to review and respond to potential conflict of interest situations and Code of Conduct conflict situations;
- (ix) to ensure that the Corporation has in place a policy to enable the Corporation to communicate effectively with its shareholders and the public generally; and
- (x) to report annually to shareholders on its stewardship of the affairs of the Corporation for the preceding year.

**(f) *Monitoring and Acting***

- (i) to establish policies and processes for the Corporation to operate at all times within applicable laws and regulations to the highest ethical and moral standards (advancing the interests of the Corporation, including the pursuit of differentiating performance in meeting the reasonable needs of all stakeholders of the Corporation);
- (ii) satisfy itself on to the integrity of the CEO and management and that such individuals create a culture of integrity throughout the Corporation;
- (iii) to ensure that management has and implements procedures to comply with, and to monitor compliance with, significant policies and procedures by which the Corporation is operated;
- (iv) to promote, and to ensure that management promotes, high environmental standards in the Corporation's operations at least in compliance with environmental laws and regulations;
- (v) to ensure that management establishes appropriate programs and policies for the health and safety of the Corporation's employees in the workplace;
- (vi) to monitor the Corporation's progress towards its goals and objectives and to revise and alter its direction through management in response to changing circumstances;
- (vii) to take action when performance falls short of its goals and objectives or when other special circumstances warrant or when changing circumstances in the business environment create risks or opportunities for the Corporation;
- (viii) to approve annual (or more frequent as the Board feels to be prudent from time to time) operating and capital budgets and review and consider amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary

course of business that may significantly impact the value of or opportunities available to the Corporation; and

- (ix) to implement internal control and information systems and to monitor the effectiveness of same.

**(g) Governance**

- (i) to develop the Corporation's approach to corporate governance including (without limitation) developing a set of corporate governance principles and guidelines;
- (ii) to develop a position description for the Chair of the Board, any Lead Director, the Chair of each Committee and the CEO;
- (iii) to facilitate the continuity, effectiveness and independence of the Board by, among other things:
  - (A) appointing from amongst the Directors an Audit Committee, a Governance and Nominating Committee, a Compensation Committee, a Reserves Committee and a Sustainability Committee and such other Committees as the Board deems appropriate;
  - (B) defining the mandate, including both responsibilities and delegated authorities, of each Committee;
  - (C) establishing a system to enable any Director to engage an outside adviser at the expense of the Corporation;
  - (D) ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, any Lead Director, the Board as a whole, each Director, each Committee and each Committee's Chair;
  - (E) reviewing annually the composition of the Board and its Committees and assessing Directors' performance on an annual basis, and appointing new members to the Board; and
  - (F) reviewing the adequacy and form of the compensation of the Directors;
- (iv) to provide a comprehensive orientation to each new Director.

**4.0 Other Matters**

The Board may perform any other activities consistent with this Mandate, the Corporation's articles and by laws and any governing laws as the Board deems necessary or appropriate.

**5.0 Related Policies and Mandates**

- Position Description for Chair of the Board
- Position Description for Chief Executive Officer
- Governance and Nominating Committee Mandate

- Position Description for Governance and Nominating Committee Chair
- Audit Committee Mandate
- Position Description for Audit Committee Chair
- Sustainability Committee Mandate
- Position Description for Sustainability Committee Chair
- Compensation Committee Mandate
- Position Description for Compensation Committee Chair
- Reserves Committee Mandate
- Position Description for Reserves Committee Chair
- Code of Conduct
- Whistleblower Policy
- Disclosure Policy
- Board and Committee Meeting Guidelines

## **6.0 Review and Modification**

This Mandate shall be reviewed by the Governance and Nominating Committee of the Board on an annual basis and any Director may make recommendations for changes to the Governance and Nominating Committee and the Governance and Nominating Committee will provide recommended changes or modifications (if any) to this Mandate to the Board for consideration and, at the Board's discretion, approval.

## SCHEDULE "B" – PREFERRED SHARE TERMS

### **PREFERRED SHARES**

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

#### 1. **Issuance in Series**

1.1 Subject to the filing of Articles of Amendment in accordance with the *Canada Business Corporations Act* (the "Act"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors.

1.2 Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a Distribution; the extent, if any, of further participation on a Distribution; voting rights, if any; and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

#### 2. **Dividends**

2.1 Subject to the preferences accorded to holders of any other shares of the Corporation ranking senior to the Preferred Shares from time to time with respect to the payment of dividends, the holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

#### 3. **Liquidation**

3.1 In the event of a Distribution, holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to payment on a Distribution, to be paid rateably with holders of each other series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a Distribution.