ATHABASCA
OIL CORPORATION

Notice of Annual General Meeting of Shareholders
to be held on May 4, 2022
and
Information Circular – Proxy Statement

Dated March 18, 2022

Notice of Annual General Meeting of Shareholders to be held on May 4, 2022

The annual general meeting (the "**Meeting**") of the holders of common shares of Athabasca Oil Corporation (the "**Corporation**" or "**Athabasca**") will be held at 9:00 a.m. (Calgary time) on Wednesday, May 4, 2022 in a virtual-only format that will be conducted via live webcast accessible online at web.lumiagm.com/430317815, meeting ID: 430-317-815, password: "athabasca2022" (case sensitive), for the following purposes. Record Date: March 25, 2022.

Agenda

1. Receive and consider the financial statements of the Corporation for the year ended December 31, 2021 and the auditors' report thereon;
2. Fix the number of directors to be elected at the Meeting at seven (7);
3. Elect the directors of the Corporation;
4. Appoint Ernst & Young LLP as the auditors of the Corporation and authorize the directors to fix their remuneration as such; and
5. Transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set out in the Information Circular-Proxy Statement of the Corporation accompanying this notice.

If you are a registered shareholder, you are requested to complete, date and sign the enclosed instrument of proxy and return it by mail, hand delivery or fax to the Corporation's transfer agent, Computershare, as follows:

1. By mail or hand delivery to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or

2. By facsimile to 416-263-9524 or 1-866-249-7775.

Alternatively, shareholders may vote through the internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America). Shareholders require the control number that may be found on the instrument of proxy in order to vote through the internet or by telephone.

In order to be valid and acted upon at the Meeting, instruments of proxy as well as votes by internet and telephone must be received not less than 48 hours (excluding weekends and holidays) before the time set for the Meeting or any adjournment or postponement thereof. Shareholders are cautioned that the use of the mail to transmit proxies is at each shareholder's risk. The Corporation reserves the right to accept late proxies. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice. The Chair of the Meeting is under no obligation to accept or reject late proxies.

If you are a beneficial or non-registered shareholder, you should follow the instructions on the voting instruction form provided by your broker or other intermediaries with respect to the procedures to be followed for voting at the Meeting.

Shareholders of record at the close of business on March 25, 2022 will be entitled to vote at the Meeting.

DATED at Calgary, Alberta, March 18, 2022.

BY ORDER OF THE BOARD
(Signed) "Ronald Eckhardt"
Ronald Eckhardt
Chair of the Board

Letter to Shareholders

March 18, 2022

Dear Fellow Shareholder:

Athabasca Oil Corporation ("**Athabasca**") is pleased to invite you to the annual meeting of common shareholders on May 4, 2022. The meeting will be held at 9:00 a.m. (Calgary time) in a virtual-only format that will be conducted via live webcast accessible at web.lumiagm.com/430317815, meeting ID: 430-317-815, password: "athabasca2022" (case sensitive).

The attached management information circular includes important information about the meeting and how to vote. Please take some time to read the document and remember to vote. You can find more information about Athabasca in our 2021 Annual Information Form and on our website.

We would like to extend our sincere thanks to Mr. Carlos Fierro and Ms. Anne Downey who are retiring from the Board on May 4, 2022, for their years of dedicated service to Athabasca and our shareholders. Mr. Fierro and Ms. Downey have made significant contributions to the Board and its committees, including chairing the Audit Committee and Reserves Committee, respectively.

In addition, the Board is nominating Mr. Marty Proctor and Ms. Angela Avery for appointment to the Board. Mr. Proctor has held several senior executive positions, including most recently as President and Chief Executive Officer of Seven Generations Energy, and currently serves in various board capacities across the energy sector. He has significant expertise in operations, engineering and business strategy, and was on the management team of North American Oilsands, an original owner of lands in Athabasca's Leismer and Corner areas. Ms. Avery is currently the Executive Vice President, External Affairs and General Counsel at WestJet and has more than 25 years' legal and business experience, and an extensive regulatory and compliance background. She served as General Counsel and VP Business Development at Athabasca from 2017 to 2020 and prior to that held senior executive roles at ConocoPhillips.

In light of the continuing COVID-19 pandemic, the meeting will be held in a virtual-only format conducted via live webcast. The virtual-only format for the meeting will help mitigate health and safety risks to the community, shareholders, employees and other stakeholders. By attending the virtual meeting, common shareholders and duly appointed proxyholders will be able to hear the meeting live, submit questions and vote their shares on all items of business while the meeting is being held. While common shareholders and duly appointed proxyholders will not be able to attend the meeting in person, regardless of geographic location and ownership, they will have an equal opportunity to participate at the meeting and vote on the resolutions. Detailed instructions about how to participate in the meeting can be found in the attached management information circular.

Thank you for your continued confidence in Athabasca.

Sincerely,

(Signed) "Ronald Eckhardt"
Ronald Eckhardt
Chair of the Board of Directors

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Information Circular – Proxy Statement

For the Annual General Meeting of Shareholders to be held on May 4, 2022 (the "Meeting")

Dated March 18, 2022

Shareholder and Voting Information

If you are a registered shareholder and are unable to attend the Meeting, please exercise your right to vote by proxy. In order to be effective, the proxy must be sent by mail, hand delivery or fax to Athabasca Oil Corporation's ("Athabasca", the "Corporation", "us", "our" or "we") transfer agent, Computershare Trust Company of Canada, as follows:

1. **By mail or hand delivery to Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; or**

2. **By facsimile to (416) 263-9524 or 1-866-249-7775.**

Alternatively, please vote through the internet at www.investorvote.com or by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America). Registered shareholders will require the control number that may be found on the instrument of proxy in order to vote through the internet or by telephone.

The Corporation may use the Broadridge QuickVote™ service to assist non-registered shareholders to conveniently vote their common shares in the capital of the Corporation (the "**Common Shares**").

In order to be valid and acted upon at the Meeting, instruments of proxy as well as votes by internet and telephone must be received in each case not less than 48 hours (excluding weekends and holidays) before the time set for the Meeting or any adjournment or postponement thereof.

Shareholders are cautioned that the use of mail to transmit proxies is at each shareholder's risk. The Corporation reserves the right to accept late proxies. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice. The Chair of the Meeting is under no obligation to accept or reject any late proxies.

Solicitation Of Proxies By Management

This information circular – proxy statement (the "**Circular**") is furnished in connection with the solicitation of proxies by management of the Corporation for use at the Meeting. Shareholders of record on March 25, 2022 (the "**Record Date**") are entitled to receive notice of, and to attend and vote at, the Meeting. Shareholders of Athabasca whose names have been entered in the register of shareholders at the close of business on that date will be entitled to receive notice of and vote at the Meeting, provided that, to the extent a shareholder transfers the ownership of any of his or her Common Shares after such date and the transferee of those Common Shares establishes that he or she owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

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

The persons named in the enclosed instrument of proxy are our officers. As a registered shareholder, you have the right to appoint another person (who need not be a shareholder) to represent you at the Meeting. To exercise this right, you should insert the name of your desired representative in the blank space provided in the form of proxy and strike out the other names or submit another appropriate proxy.

Unless otherwise stated, the information contained in the Circular is given as March 18, 2022. All dollar amounts in the Circular, unless otherwise indicated, are stated in Canadian currency.

No person has been authorized by the Corporation to give any information or make any representations in connection with the Meeting other than as described in the Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation.

Exercise of Discretion by Proxy

The Common Shares represented by proxy will be voted or withheld from voting on any matter that may properly come before the Meeting. Where you specify a choice with respect to any matter to be acted upon at the Meeting, your Common Shares will be voted in accordance with your instructions. If you do not provide instructions, your Common Shares will be voted in favour of the matters to be acted upon as set out in the Circular. A shareholder has the right to appoint a person or entity (who need not be a shareholder) to virtually attend and act for him or her on his or her behalf at the Meeting other than the persons named in the enclosed instrument of proxy. 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. At the time of printing the Circular, we know of no such amendment, variation or other matter.

Advice to Beneficial Holders of Common Shares

The information contained in this section is of significant importance to you if you do not hold your Common Shares in your own name (referred to in this Circular as "**Beneficial Shareholders**"). Only proxies deposited by shareholders whose names appear on the Corporation's records as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name in the Corporation's records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, most Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your Common Shares. Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Common Shares are voted at the Meeting.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") or another intermediary. If you receive a voting instruction form from Broadridge or another intermediary it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported) as described in the voting instruction form well in advance of the Meeting in order to have the Common Shares voted. Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Often Beneficial Shareholders are alternatively provided with a toll-free telephone number to vote their shares or website address where shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction request or a proxy with a Broadridge sticker on it cannot use that instruction request or proxy to vote Common Shares directly at the Meeting as the proxy must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting.

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may virtually attend the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. If you wish to virtually attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return it to your broker (or the broker's agent who provided it to you) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Shareholders who wish to appoint themselves or a third party proxyholder to represent their shares at the virtual meeting must submit their proxy or voting instruction form (if applicable) and then register their proxyholder (i.e., 2-Step Process). Registering your proxyholder is an additional step once you have submitted your proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. To register a proxyholder, Shareholders MUST visit www.computershare.com/AthabascaOilCorp by 9:00 a.m. (Calgary time) on May 2, 2022 and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a Username via email.

For U.S. Beneficial Shareholders, to attend and vote at the virtual meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to:

Computershare
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1

OR

Email at uslegalproxy@computershare.com

Requests for registration must be labeled as "Legal Proxy" and be received no later than 9:00 a.m. (Calgary time) on May 2, 2022. You will receive a confirmation of your registration by email after we receive your registration materials.

These materials are being sent to both registered and non-registered owners of Common Shares. If you are a non-registered owner, and Athabasca or its agent has sent these materials directly to you, your name and address and information about your holding of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Voting Instructions for Employee Shareholders

If you hold shares through the Athabasca employee stock purchase plan, you may vote your shares in one of the following ways:

- Online by visiting www.investorvote.com and following the online instructions using the control number on the voting instruction form you received in the mail or by email; or
- By following the voting instructions under "*Advice to Beneficial Holders of Common Shares"* above.

Notice-and-Access

The Corporation is using the notice-and-access procedure with respect of mailings to Beneficial Shareholders but not in respect of mailings to its registered shareholders (i.e. a shareholder whose name appears on the Corporation's records). More specifically, the Corporation has elected to use procedures known as "stratification" in relation to its use of the notice-and-access procedure. As a result, registered shareholders will receive a paper copy of the Notice of Meeting, this Circular and a form of proxy, whereas the Corporation will deliver proxy-related materials to Beneficial Shareholders by: (i) posting this Circular (and other proxy-related materials) on a website other than SEDAR, in this case www.atha.com; and (ii) sending the Notice-and-Access Notification informing holders of the Common Shares that this Circular and proxy-related materials have been posted on the Corporation's website and explaining how to access them, along with a voting instruction form. The Notice-and-Access Notification contains basic information about the Meeting and the matters to be voted on, instructions on how to access the proxy materials, and explains how to obtain a paper copy of this Circular.

The Corporation will not send the Notice-and-Access Notification and voting instruction form directly to non-objecting Beneficial Shareholders and such materials will be delivered to non-objecting Beneficial Shareholders by Broadridge or through the non-objecting Beneficial Shareholder's intermediary. The Corporation intends to pay for the costs of an intermediary to deliver to objecting Beneficial Shareholders the Notice-and-Access Notification and voting instruction form.

E-Delivery

Shareholders are encouraged to consent to electronic delivery (e-delivery) to receive our information circulars and other continuous disclosure documents, including annual and interim reports. Shareholders who enroll in e-delivery will be notified by email when documents are made available, at which time they can be viewed and/or downloaded from our website (www.atha.com). How you enroll depends on whether you are a registered Shareholder or a Beneficial Shareholder. Registered Shareholders may sign up for e-delivery at the following website: www.investorcentre.com. Beneficial Shareholders may sign up for e-delivery at www.proxyvote.com using the control number on your voting instruction form, or after the Meeting, by obtaining a unique registration number from your financial intermediary.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person you appoint as your proxy attends personally at the virtual Meeting, you or such person may revoke the proxy and vote in person (virtually). In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument must be in writing and must be deposited either with us c/o our transfer agent, Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

Persons Making the Solicitation

This solicitation is made on behalf of Athabasca's management. Athabasca will bear the costs incurred in the preparation and mailing of the proxy materials. In addition to mailing the proxy materials, proxies may be solicited by telephone, personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

How to Participate at the Meeting

The Meeting is being held in a virtual, audio only, webcast format due to the COVID-19 pandemic and the recommendations of federal, provincial and municipal governments to mitigate risks to public health and safety. Shareholders and duly appointed proxyholders may only attend and participate in the Meeting virtually via live audio webcast, including by asking questions during the question and answer session and voting online, provided they follow the instructions herein and provided by their brokers, as applicable.

- Registered shareholders and duly appointed proxyholders who participate by attending online will be able to listen to the proceedings of the Meeting, ask questions and vote during the specified times, provided they remain connected to the internet.
- If you are a Beneficial Shareholder and wish to vote your Common Shares online during the Meeting, you must follow the instructions above under "*Advice to Beneficial Holders of Common Shares*". Non-registered (beneficial) shareholders who have not duly appointed themselves as proxyholders may still attend the Meeting as guests, but will not be able to vote at the Meeting.
- Guests, including Beneficial Shareholders who have not duly appointed themselves as proxyholder, will be able to login and listen to the proceedings of the Meeting but will not be able to vote at the Meeting.
- Attendees can login to the Meeting by following the instructions below.
  - Log in online at: web.lumiagm.com/430317815, meeting ID: 430-317-815, password: "athabasca2022" (case sensitive). The latest versions of Chrome, Safari, Microsoft Edge or Firefox will be needed. The Corporation recommends that you log in at least 15 to 30 minutes before the Meeting starts. You should allow ample time to login to the Meeting to check compatibility and complete the related procedures.
  - For registered shareholders and duly appointed proxyholders, select "I have a Login" and enter your control number listed on your form of proxy or Username provided by our transfer agent, Computershare Trust Company of Canada, as applicable.

    OR
  - Click "I am a guest" and then complete the online form to access the Meeting.

For registered shareholders: The Control Number located on the form of proxy or in the email notification delivered for the Meeting is the Control Number to login to the Meeting. For duly-appointed proxyholders: Computershare Trust Company of Canada will provide the proxyholder with a Username by email after the proxy voting deadline has passed provided that the proxyholder has been duly appointed and registered as described in this Circular. **Without a Username, proxyholders will not be able to vote at the meeting.**

If a shareholder attends the Meeting online, it is important to remain connected to the internet at all times in order to vote when the balloting commences. It is the responsibility of such shareholder to ensure internet connectivity is maintained for the duration of the Meeting.

If you are using a control number to login to the online meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the meeting as a guest.

Quorum, Voting Shares and Principal Holders Thereof

We are authorized to issue an unlimited number of Common Shares. As of the close of business on March 17, 2022, there were 531,725,091 Common Shares issued and outstanding. The holders of Common Shares are entitled to one vote for each Common Share held. The board of directors of the Corporation (the "**Board**") has fixed the Record Date for the Meeting as the close of business on March 25, 2022.

Business may be transacted at the Meeting if not less than two persons are present holding or representing by proxy not less than 10% of the Common Shares entitled to be voted at the Meeting. If a quorum is present at the opening of the Meeting, the shareholders present or represented by proxy may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the shareholders present or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business.

To the knowledge of our directors and executive officers, as at the date hereof, there is no person or company who beneficially owns or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares.

Matters to be Acted Upon at the Meeting

Presentation of Financial Statements

At the Meeting, shareholders will receive and consider our financial statements for the fiscal year ended December 31, 2021 together with the report of our auditors. No formal action is required or proposed to be taken at the Meeting with respect to the financial statements.

Fixing the Number of Directors

Holders of Common Shares will be asked to consider and, if thought to be appropriate, approve an ordinary resolution fixing the number of directors to be elected at the Meeting at seven (7). We currently have seven (7) directors, and except for Ms. Avery and Mr. Proctor, all of the nominated directors currently serve on the Board. This number may be adjusted between shareholders' meetings by way of resolution of the Board. In order to be effective, the ordinary resolution in respect of fixing the number of directors to be elected at the Meeting at seven (7) must be passed by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

Election of Directors

Management is soliciting proxies, in the accompanying form of proxy, for an ordinary resolution in favour of the election of the following seven (7) nominees as directors of the Corporation: Ronald Eckhardt, Angela Avery, Bryan Begley, Robert Broen, Thomas Ebbern, John Festival and Marty Proctor. See "*Director Nominees*" below for information about each of the nominees. Each director will hold office until the close of the next annual meeting of our shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

The form of proxy permits shareholders to vote "for" or to "withhold" their vote in respect of each director nominee. Management has no reason to believe that any of the nominees will be unable to serve as director but, should any nominee become unable to do so for any reason prior to the Meeting, the persons named in the accompanying form of proxy, unless directed to withhold from voting, reserve the right to vote for other nominees at their discretion.

A director who receives more withhold than for votes must offer to resign after the Meeting. See "*Corporate Governance – Majority Voting Policy*" for more information.

Management recommends that shareholders vote FOR the election of each of the nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies authority to do so is withheld.

Appointment of Auditors

On the recommendation of the Audit Committee of the Board, management is soliciting proxies in favour of the appointment of Ernst & Young LLP, Chartered Accountants, of Calgary, Alberta, as our auditors, to hold office until the next annual meeting of our shareholders and to authorize the directors to fix their remuneration as such. Ernst & Young LLP were first appointed as the Corporation's auditors on April 16, 2007.

See "Audit Committee" in the Corporation's annual information form for the year ended December 31, 2021, an electronic copy of which is available on the Corporation's SEDAR profile at www.sedar.com, for additional information required to be disclosed in accordance with National Instrument 52-110 – *Audit Committees,* including a description of fees we paid to Ernst & Young LLP in the last fiscal year.

Director Nominee Profiles

Below are the profiles of each of the director nominees, together with information regarding the compensation paid to each director during the year ended December 31, 2021 (other than for Mr. Broen, whose compensation, as a member of management, is described under the heading "*Compensation Discussion & Analysis – Compensation of Named Executive Officers*").

Ronald J. Eckhardt

Chair of the Board
Alberta, Canada

Status: Independent

Director since April 1, 2012

Other Public Company Board Memberships:
- NuVista Energy Ltd.

Current Committee Memberships:
- Reserves

Mr. Eckhardt is an independent businessman with over forty years of diverse experience in the oil and gas industry including as Executive Vice President, North American Operations of Talisman Energy Inc. Mr. Eckhardt presently also serves on the board of directors and is the Chair of the reserves committee of NuVista Energy Ltd.

2021 Board and Committee Meeting Attendance:

	Meeting Attendance
Board (Chair)	5 of 5 (100%)
Audit	4 of 4 (100%) (non-member)
Compensation & Governance	2 of 2 (100%) (non-member)
Reserves	2 of 2 (100%)

Ownership:

	December 31, 2021
Common Shares Owned, Controlled or Directed	373,750
Deferred share units ("**DSUs**")	2,127,530
Total Market Value of Common Shares and DSUs[(1)]	$2,976,523

ATHABASCA OIL CORPORATION

Angela Avery

Alberta, Canada

Status: Not Independent[2]

Director Nominee

Other Public Company Board Memberships:
- N/A

Current Committee Memberships:
- N/A

Ms. Avery is WestJet's Executive Vice President, External Affairs & Chief Legal Officer where she has served as an executive officer since February 2020. Ms. Avery has more than 25 years' senior legal and business experience having negotiated transactions exceeding $25B. From 2017 to 2020, Ms. Avery held the position of General Counsel and Vice President, Business Development at Athabasca. Prior to that, she was the Chief Compliance Officer for ConocoPhillips' global operations. Her international experience includes an appointment to litigate war reparations with the United Nations. She is called to the bar in Alberta and New York.

2021 Board and Committee Meeting Attendance:

Meeting Attendance
N/A

Ownership:

	December 31, 2021
Common Shares Owned, Controlled or Directed	160,593
DSUs	—
Total Market Value of Common Shares and DSUs[1]	$191,106

Bryan Begley

Director
Texas, U.S.A.

Status: Independent

Director since March 9, 2016

Other Public Company Board Memberships:
- None

Current Committee Memberships:
- Audit
- Compensation & Governance (Chair)

Mr. Begley is currently a Managing Director and Partner at 1901 Partners, a private equity firm formed in 2014 to make private investments in the energy sector. Mr. Begley served as a Managing Director of ZBI Ventures, LLC from 2007 to 2014, another private equity firm focused on the energy sector. He began his career as an engineer with Phillips Petroleum Company and was a Partner at McKinsey & Co. in the Houston and Dallas offices where he advised clients across the global energy sector.

2021 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Audit	3 of 4 (75%)
Compensation & Governance	2 of 2 (100%)

Ownership:

	December 31, 2021
Common Shares Owned, Controlled or Directed	500,010
DSUs	1,603,461
Total Market Value of Common Shares and DSUs(1)	$2,503,130

Robert Broen

President and
Chief Executive Officer
Alberta, Canada

Status: Not Independent

Director since April 21, 2015

Other Public Company Board Memberships:
- None

Current Committee Memberships:
- None

Mr. Broen has been a director and President and Chief Executive Officer of the Corporation since April 2015. He previously held the roles of Chief Operating Officer of Athabasca and Senior Vice-President, North American Shale at Talisman Energy Inc. and the President and a director of Talisman Energy USA Inc.

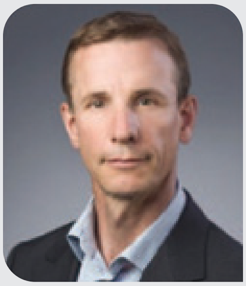
2021 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Audit	4 of 4 (100%) (non-member)
Compensation & Governance	2 of 2 (100%) (non-member)
Reserves	2 of 2 (100%) (non-member)

Ownership:

	December 31, 2021
Common Shares Owned, Controlled or Directed	2,334,431
Options	4,468,200
2015 RSUs(3)	5,587,666
Performance Awards	2,763,000
Total Market Value of Common Shares, Options, 2015 RSUs and Performance Awards(1)(4)	$11,734,066

Thomas Ebbern



Director
Alberta, Canada

Status: Independent

Director since May 9, 2018

Other Public Company Board Memberships:
- None

Current Committee Memberships:
- Audit
- Compensation & Governance

Mr. Ebbern currently serves as the Executive Strategic Advisor for North West Refining and, prior to was the Chief Financial Officer from 2012 to 2019. Mr. Ebbern was Managing Director of Energy Investment Banking for Macquarie Capital Markets Canada and a senior partner at Tristone Capital. Mr. Ebbern previously served on the boards of both Nexen Inc. and Talisman Energy Inc.

2021 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Audit	4 of 4 (100%)
Compensation & Governance	2 of 2 (100%)

Ownership:

	December 31, 2021
Common Shares Owned, Controlled or Directed	100,000
DSUs	1,159,248
Total Market Value of Common Shares and DSUs(1)	$1,498,505

John Festival

Director
Alberta, Canada

Status: Independent

Director since May 7, 2020

Other Public Company Board Memberships:
- Gibson Energy Inc.
- i3 Energy plc.

Current Committee Memberships:
- Reserves

Mr. Festival has over three decades of experience in the oil and gas industry. Mr. Festival is currently President, CEO and a director of Broadview Energy Ltd., a private corporation with heavy oil assets in Alberta and Saskatchewan. From 2009 through 2018, Mr. Festival served as the President and Chief Executive Officer and a director of BlackPearl Resources Inc. Prior to that, he served as the President of BlackRock Ventures Inc. from 2001 to 2006 and as its Vice President of Corporate Development from 1999 to 2000. Mr. Festival is currently a director of Gibson Energy and i3 Energy plc.

2021 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	5 of 5 (100%)
Reserves	2 of 2 (100%)

Ownership:

	December 31, 2021
Common Shares Owned, Controlled or Directed	614,700
DSUs	576,922
Total Market Value of Common Shares and DSUs[(1)]	$1,418,030

Marty Proctor

Alberta, Canada

Status: Independent

Director Nominee

Other Public Company Board Memberships:
- ARC Resources Ltd.
- GreenFirst Forest Products Inc.
- Tenaz Energy Corp.

Current Committee Memberships:
- N/A

Mr. Proctor is a seasoned energy executive with more than 35 years' experience in Canada and other international markets. Mr. Proctor held the position of President and Chief Executive Officer of Seven Generations Energy Ltd. from 2017 to 2021 and held the position of President and Chief Operating Officer prior to that from 2014. Mr. Proctor also held the positions of Chief Operating Officer of Baytex Energy Corp. from 2009 to 2014 and Senior Vice President of Upstream Operations with StatoilHydro Canada Ltd. and its predecessor company North American Oil Sands from 2006 to 2009. Mr. Proctor is vice chair of the board of directors of ARC Resources Ltd., a director of GreenFirst Forest Products Inc. and the chair of the board of directors of Tenaz Energy Corp.

2021 Board and Committee Meeting Attendance:
Meeting Attendance
N/A

Ownership:	December 31, 2021
Common Shares Owned, Controlled or Directed	75,000[5]
DSUs	—
Total Market Value of Common Shares and DSUs[1]	$89,250

Notes:

(1) "Total Market Value" was determined by (a) multiplying the number of Common Shares held by the nominee as of December 31, 2021 by the closing price of the Common Shares on the TSX on such date ($1.19); adding (b) the sum of the number of Common Shares issuable upon exercise of in-the-money Options (if any) and the exercise price of any in-the-money Options; and adding (c) the number of DSUs held as of December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on such date ($1.19).

(2) Ms. Avery was employed by the Corporation as General Counsel and Vice President, Business Development from 2017 to 2020.

(3) 2015 RSUs are restricted share units issued pursuant to the 2015 RSU Plan (as defined below). Each 2015 RSU is a unit that is equivalent in value to a Common Share and that, upon vesting, will be automatically settled by the Corporation in accordance with the 2015 RSU Plan.

(4) Mr. Broen's "Total Market Value" also includes values for incentive awards ("**Performance Awards**") granted under the Corporation's performance award plan dated March 18, 2014 (the "**Performance Plan**") and restricted share units (**"2015 RSUs**") granted under the Corporation's RSU plan dated March 11, 2015 (the "**2015 RSU Plan**") equal to the sum of the Performance Awards and 2015 RSUs multiplied by the closing price of the Common Shares on the TSX on December 31, 2021 ($1.19) and subject to any applicable multiplier applied to Performance Award units granted to Mr. Broen.

(5) Mr. Proctor purchased such 75,000 Common Shares subsequent to December 31, 2021, on March 3, 2022.

Experience and Background of Directors Nominees

The Compensation and Governance Committee has responsibility for ensuring the Board is made up of individuals who have the relevant experience and expertise needed to effectively fulfill the Board's mandates. The skills matrix below shows the experience and expertise that each director nominee contributes to Athabasca's Board.

Experience Director	Avery	Begley	Broen	Proctor	Ebbern	Eckhardt	Festival	Total
Accounting & Finance	●	●	●	●	●	●	●	7
Engineering/Reserves		●	●	●		●	●	5
Governance	●	●	●	●	●	●	●	7
Government/Regulatory/Legal	●		●	●	●	●	●	6
Health, Safety & Environment			●	●		●	●	4
Management/Leadership	●	●	●	●	●	●	●	7
Oil & Gas Upstream	●	●	●	●	●	●	●	7
Midstream/Trading	●		●	●	●	●	●	6
Oil Sands	●	●	●	●			●	5
Capital Markets		●	●	●	●		●	5
M&A	●	●	●	●	●	●	●	7
Risk Management	●	●	●	●	●	●	●	7
Count	**9**	**9**	**12**	**12**	**9**	**10**	**12**	

Director Orientation and Continuing Education

The Board is responsible for providing each new director with a comprehensive orientation to Athabasca and its business. Each new director is provided a Director Orientation Manual that contains materials to familiarize the new director with the role of the Board and its committees and the Board's governance mandates. The materials include:

- information about Athabasca's organizational structure;
- Athabasca's Individual Director mandate, Board mandate and the mandates of each of the Board committees;
- Athabasca's compensation philosophy, short-term and long-term incentive programs; and
- policies and guidelines, including Athabasca's Code of Business Ethics and Conduct, Whistleblower Policy, Trading and Black-Out Policy, and Equity Ownership and Retention Guidelines for Independent Directors and Executive Officers.

New directors also attend an orientation session with executive management to receive management presentations about Athabasca, its business strategies, operations and financial performance.

Each month, the Board is provided a written report which summarizes, among other things, Athabasca's monthly operational and financial results; liquidity; health, safety and environmental performance and share performance. At each quarterly Board meeting, executive management informs the Board of any risks and any market, industry or regulatory changes affecting Athabasca's business.

The Board also holds strategy sessions with Athabasca's executive management team to discuss, review and consider the Corporation's business strategy for the current year and for the next five years. The Board considered the Corporation's current and long-term strategies at each of its quarterly meetings held in 2021.

Directors also participate in continuing education programs and industry and governance related seminars to maintain or enhance their knowledge and understanding of issues affecting Athabasca's business.

Director Compensation

General

The Board, through the Compensation and Governance Committee, has implemented a director compensation program that is intended to compensate non-management directors for their services on the Board and its committees. We do not pay any compensation to officers for acting as a director. For information concerning the compensation paid to Mr. Broen who is also our President and Chief Executive Officer, see "*CEO Compensation*" and "*Compensation of Named Executive Officers*".

In setting the directors' annual compensation, the Board considers what is competitive with other comparable public companies and the current market environment. We wish to attract and retain the services of qualified individuals and compensate them in a manner that is commensurate with the risks and responsibilities that are assumed through board and committee memberships. In 2019, the Board reduced the annual cash retainer of the directors by 10% in recognition of the challenging macro environment and maintained such reduction through 2020 as a result of low commodity prices and the impacts of the COVID-19 pandemic. Additionally, in 2020, as a result of the market volatility caused by the COVID-19 pandemic and its impact on the market price of the Common Shares, the Board determined to reduce the value of the DSU retainer payable to Board members in 2020 from $150,000 to $50,000. In 2021, in recognition of an improved macro environment and a decrease in the effects of the COVID-19 pandemic on the Corporation, the Board increased the annual cash retainer by 10% to reinstate the cash retainer to the pre-2019 level. The Board also increased the value of the DSU retainer in 2021 to $100,000, which aligns with Athabasca's peer companies.

The directors' annual compensation is made up of two parts: (1) a cash retainer; and (2) a grant of Director's DSUs, which are not redeemable until after the director has ceased to be a member of the Board. See Appendix A – *Description of Long-Term Equity Incentive Plans – Deferred Share Unit Plan* for a description of the deferred share unit plan ("**DSU Plan**"). Effective March 2015, the Corporation ceased granting options to purchase Common Shares ("**Options**") and restricted share units ("**RSUs**") to non-management directors.

Cash Retainer

For the year ended December 31, 2021, non-management directors were paid an annual retainer of $50,000. Additionally, non-management directors were also paid for serving in the following roles:

Board Role	Retainer Amount
Board Chair	$50,000
Audit Committee Chair	$15,000
Compensation and Governance Committee Chair	$7,500
Reserve Committee Chair	$7,500

The Corporation does not pay its directors any fees for attendance at Board or committee meetings but reimburses directors for all reasonable expenses incurred in order to attend board or committee meetings. Many of the meetings in 2021 occurred remotely to support health and safety protocols during the COVID-19 pandemic.

Directors may elect to receive all or any portion of their cash retainers in the form of DSUs.

DSUs

Non-management directors are also eligible to participate in the DSU Plan if awards under such plan are recommended by the Compensation and Governance Committee and approved by the Board. As noted above, the value of the DSUs awarded to the non-management directors in 2021 was increased from $50,000 to $100,000.

Summary Compensation Table

The following table sets out information concerning the compensation paid by the Corporation to its directors during the year ended December 31, 2021 (other than Mr. Broen who is included in the table that is provided below under the heading "*Compensation Discussion & Analysis – Compensation of Named Executive Officers*").

Name	Fees earned ($)	Share-based awards (1) ($)	Option-based awards (2) ($)	Non-equity incentive plan compensation ($)	Pension value ($)	All other compensation ($)	Total(2) ($)
Bryan Begley(3)	57,500	100,000	—	—	N/A	—	157,500
Anne Downey	57,500	100,000	—	—	N/A	—	157,500
Thomas Ebbern	50,000	100,000	—	—	N/A	—	150,000
Ronald Eckhardt(4)	100,000	100,000	—	—	N/A	—	200,000
John Festival	50,000	100,000	—	—	N/A	—	150,000
Carlos Fierro(5)	65,000	100,000	—	—	N/A	—	165,000

Notes:

(1) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2021. The fair value of DSUs is based on the number of DSUs granted multiplied by the volume weighted average price per Common Share on the TSX for the 20 trading days immediately preceding the date of grant. These amounts exclude the value of any DSUs paid in lieu of director fees, as further described in footnotes (3), (4) and (5) below.

(2) Neither the Corporation nor any of its subsidiaries paid, awarded, granted, gave, or otherwise provided, directly or indirectly, additional compensation to the directors in any capacity under any other arrangement in 2021 (including any plan or non-plan compensation, direct or indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite to be paid, payable, awarded, granted, given, or otherwise provided to the directors for services provided, directly or indirectly, to the Corporation or a subsidiary thereof).

(3) Mr. Begley elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Begley received 73,837 DSUs in lieu of such fees.

(4) Mr. Eckhardt elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Eckhardt received 127,629 DSUs in lieu of such fees.

(5) Mr. Fierro elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Fierro received 82,959 DSUs in lieu of such fees.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information regarding all DSUs held by each director, as at December 31, 2021 (other than Mr. Broen who is included in the table that is provided below under the heading "*Compensation Discussion & Analysis – Outstanding Share-Based Awards and Option-Based Awards – NEOs*"). Directors do not hold any outstanding Option-based awards.

	Share-Based Awards		
Name	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)	Market or payout value of vested share-based awards not paid out or distributed ($)(1)(2)
Bryan Begley	—	—	1,908,119
Anne Downey	—	—	1,144,763
Thomas Ebbern			1,379,505
Ronald Eckhardt	—	—	2,531,761
John Festival	—	—	686,537
Carlos Fierro	—	—	2,030,912

Notes:

(1) All DSUs vest immediately upon the grant of such DSUs but cannot be redeemed until after the director ceases to be a director of the Corporation.

(2) The market or payout value of vested share-based awards not paid out or distributed has been calculated based on the number of DSUs held at December 31, 2021 multiplied by $1.19, being the closing price of the Common Shares on the TSX on December 31, 2021.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of share-based awards which vested during the year ended December 31, 2021 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2021 for each director. Directors did not hold any outstanding Option-based awards that would have vested in 2021.

Name	Share-based awards – Value vested during the year(1)(2) ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Bryan Begley	157,500	—
Anne Downey	100,000	—
Thomas Ebbern	100,000	—
Ronald Eckhardt	200,000	—
John Festival	100,000	—
Carlos Fierro	165,000	—

Notes:

(1) All DSUs vest immediately upon the grant of such DSUs, but cannot be redeemed until after the director ceases to be a director of the Corporation.

(2) Represents the value of DSUs granted in the year ended December 31, 2021. The fair value of DSUs is based on the number of DSUs granted multiplied by the volume weighted average price per Common Share on the TSX for the 20 trading days immediately preceding the date of grant.

Additional Disclosure Relating to Directors

None of our director nominees: (a) is, or has been within the past 10 years, a director, chief executive officer or chief financial officer of any company, including the Corporation, that while such person was acting in that capacity, was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that in each case was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), or after such person ceased to be a director, chief executive officer or chief financial officer of the relevant company, was the subject of an Order which resulted from an event that occurred while acting in such capacity; (b) is, or has been within the past 10 years, a director or executive officer of any company, including the Corporation, that, while such 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; (c) has, within the past 10 years, 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 his assets; or (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Mr. Ebbern resigned as a director of Live Out There Inc. on November 6, 2017. Following Mr. Ebbern's resignation, Live Out There Inc. consented to the court appointment of a receiver and manager of its assets, undertakings and properties. The receivership order was granted on November 9, 2017.

Board of Directors

Mandate

The Board has overall responsibility for overseeing the management of the business and affairs of Athabasca. The Board has adopted a written mandate that summarizes, among other things, the Board's duties and responsibilities. A copy of the mandate is attached as Appendix B to the Circular.

Board Renewal and Tenure

The Board is committed to supporting the Corporation through the selection of qualified directors who have appropriate skills to meet the evolving needs of the Corporation and who can provide strong stewardship for the Corporation. Through its Compensation and Governance Committee, which is comprised entirely of independent directors, the Board regularly reviews and assesses the size, independence, operation, competencies and skills of the Board and the individual directors.

The seven Board nominees reflect a range of complementary but different experiences and skills to support the Corporation. The length of director tenure of the five incumbent Board nominees ranges from two years to ten years, and new appointments were made to the Board in 2012, 2015, 2016, 2017, 2018, and 2020, which the Compensation and Governance Committee believes, along with the proposed nominees Ms. Avery and Mr. Proctor, is an appropriate mix of longer-term directors who have accumulated extensive knowledge and understanding of the Corporation, and newer directors who are bringing additional experience and fresh perspectives to the Board.

Athabasca does not currently have a policy regarding term limits for directors. The Compensation and Governance Committee believes Athabasca is meeting its objective of achieving the optimum balance of skills and experience at the Board level without the need to impose such limits.

The Compensation and Governance Committee has endorsed an annual review process that includes a written evaluation. The written evaluation process is seen as an opportunity to review the year's past performance, recognize successes, and identify areas for improvement for the Board, its committees and individual directors. In the written confidentially compiled evaluation, directors evaluate overall Board performance through a series of questions concerning the role of the Board, Board structure and the Board's relationship with management as well as provide a self-assessment. The evaluation summary scores and comments are then discussed at the Compensation Committee meeting with recommendations brought forward to the Board with a focus on ongoing development.

Membership and Independence

Our Board of Directors currently has seven members and our Board Chair and a majority of our directors are independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"). The Board determined that Messrs. Begley, Ebbern, Eckhardt, Festival and Proctor are independent, and with respect of incumbent directors, were independent in 2021. Mr. Broen is not independent because he is the President and Chief Executive Officer of the Corporation. Ms. Avery is not considered independent because she was employed by the Corporation as General Counsel and Vice President, Business Development from 2017 to 2020.

Mr. Fierro and Ms. Downey, who are currently members of the Board as of the date of this Circular, will not be seeking re-election at the Meeting. In 2021, both Mr. Fierro and Ms. Downey were also independent for the purposes of NI 58-101.

Meetings of the Independent Directors

The Board held 5 meetings between January 1, 2021 and December 31, 2021 and the independent directors conducted in-camera sessions without members of management present, at a majority of these meetings, including at each of the Board's quarterly meetings. Additionally, in-camera sessions were held during each of the four meetings of the Audit Committee that were held between January 1, 2021 and December 31, 2021.

Board and Executive Diversity

Athabasca recognizes the benefits of diversity and inclusion at all levels within its organization and, as such, the Board adopted a formal Board Diversity Policy in 2018 that includes provisions relating to the identification and nomination of women directors ("**Board Diversity Policy**"). The Board Diversity Policy does not contain any gender targets but specifically requires the Board to consider candidates based on merit and to have regard to the benefits of diversity and the needs of the Board including the existing level of representation of women on the Board.

The Board Diversity Policy requires that any search firm engaged to assist the Board in identifying candidates will be specifically directed to include diverse candidates generally, and multiple women candidates in particular. Women candidates for director must be included on the organization's evergreen list of potential nominees. The Board also has the opportunity to evaluate the effectiveness of the director selection and nomination process, including compliance with the Board Diversity Policy, through its annual review process. As part of such process, the Board will consider the candidates identified or brought forward for board positions during the year and the skills, knowledge and experience of such candidates to ensure that any female candidates were fairly considered relative to other candidates.

One director of the Corporation, or approximately 14% of the Board, is a woman.

When appointing individuals to executive officer positions, Athabasca weighs a number of factors, including the skills and experience necessary for the position and the personal attributes of the candidates. The level of representation of women in executive officer positions is also considered one such factor. Instead of adopting a target, the organization believes that building a culture of inclusion throughout the organization removes barriers to women's advancement. Athabasca's executive management team is currently comprised of one woman, which represents 25% of the total executive officers, holding the position of Vice President, Thermal Oil.

Majority Voting Policy

In 2015, the Board adopted a majority voting policy ("**Majority Voting Policy**") which stipulates that if a director nominee receives more "withhold" votes than "for" votes at an uncontested shareholders' meeting, then such nominee must immediately tender his or her resignation for consideration by the Compensation and Governance Committee. The Compensation and Governance Committee will consider the director nominee's offer to resign and will make a recommendation to the Board to accept the resignation unless exceptional circumstances exist that would warrant the applicable director continuing to serve on the Board. Within 90 days of the date of the relevant shareholders' meeting, upon considering the Compensation and Governance Committee's recommendation, the Board will accept the director's offer to resign unless exceptional circumstances exist that warrant the director remaining on the Board. The resignation will be effective when accepted by the Board. A news release will be issued promptly to announce the decision that is reached by the Board and if the Board chooses not to accept a director's offer to resign, the news release will describe the reasons for that decision. No director that is required to tender his or her resignation pursuant to the Majority Voting Policy shall participate in the deliberations or recommendations of the Compensation and Governance Committee or the Board with respect to the director's offer to resign. The Board may fill any vacancy resulting from a resignation pursuant to the Majority Voting Policy in accordance with the Corporation's by-laws and articles and applicable corporate laws.

Position Descriptions

The Board has developed and implemented written position descriptions for the Chair of the Board, the chairs of each committee of the Board and the CEO and CFO.

Responsibility of the Chair

The Chair of the Board provides effective leadership to the Board in the governance of the Corporation. The Chair sets the "tone" for the Board and its members to foster ethical and responsible decision making and responsible practices in corporate governance. The Chair also provides leadership on governance, corporate social responsibility, board/management relationships and organizing and conducting meetings of the Board and shareholder meetings.

Shareholder Engagement

Athabasca delivered strong operational and financial results in 2021. The Corporation bolstered its financial resiliency through the completion of a refinancing transaction in October 2021 for gross cash proceeds of US$350 million and the syndication of a $110 million reserve-based credit facility. Throughout 2021, the Corporation continued to take proactive measures to manage risk in response to sustained market and commodity price volatility caused by the COVID-19 pandemic and decisions by OPEC. Athabasca is uniquely positioned as a low leveraged company, generating significant free cash flow through its low decline, oil weighted asset base. We are committed to utilizing up to 100% of near-term free cash flow to further reduce our term debt. Overall, reduced commodity price volatility, consistent operational execution, and a best-in-class balance sheet is expected to unlock significant shareholder value. Athabasca is quickly transitioning enterprise value to its equity holders and will assess market conditions to determine the best method to enhance shareholder returns, which could include a dividend, share buybacks, further debt reduction, additional investment in our assets or a combination thereof.

The Board and the Corporation will continue to respond to voting results through active shareholder engagement and by advancing the Corporation's strategy and focusing on supporting shareholder returns.

Ethical Business Conduct

In order to encourage and promote a culture of ethical business conduct, the Board has adopted a written Code of Business Ethics and Conduct (the "**Code**") applicable to all directors, officers and employees of Athabasca. The Code is available on SEDAR at www.sedar.com. The Board has also adopted a Whistleblower Policy that provides directors, officers and employees of Athabasca and others with a mechanism for raising complaints or concerns regarding questionable accounting practices, inadequate internal accounting controls, the misleading or coercion of auditors, disclosure of fraudulent or misleading financial information, violations of the Code, violations of Athabasca's Trading and Black-Out Policy and instances of corporate fraud. Reports made under the Whistleblower Policy may be made in a confidential and, if deemed necessary, anonymous manner. The Board monitors compliance with the Code through the Whistleblower Policy.

In accordance with the *Business Corporations Act* (Alberta), directors who are a party to, or are a director or an officer of a person who is a party to, a material contract or material transaction or a proposed material contract or proposed material transaction, are required to disclose the nature and extent of their interest and not vote on any resolution to approve the contract or transaction. In certain cases, an independent committee may be formed to deliberate on such matters in the absence of the interested party.

Environmental, Social and Governance Policies

We have a longstanding commitment to Environmental, Social, and Governance ("**ESG**") initiatives and we are proud of the work we do to take care of the environment and the communities where we operate. We believe that measurement is key to evaluating our work, setting goals and making year over year progress. We proudly published our inaugural ESG report in 2021. It was an opportunity for Athabasca to showcase the positive impacts we have and explain how sustainability and responsibility are being embedded into every decision we make. We believe that ESG not only supports our communities, but also enhances our business and profitability and creates long term value for all our stakeholders and shareholders. Our goal is to supply responsibly developed energy to help meet ongoing global demand, while also creating a positive and long-lasting impact on the communities where we operate.

Our ESG strategy and performance is reviewed, considered, and fully integrated at the Board level. Due to the importance our Board places on ESG performance, our Board has chosen not to create an ESG committee but rather to have our ESG strategy and performance reviewed and considered by the Board as a whole. To keep the Board well informed, management regularly provides updates on goals and accomplishments around environmental considerations, social responsibility, ethics, and corporate citizenship. The Board regularly engages with management in discussions around climate risk and opportunities to reduce overall emissions, particularly when approving capital budgets. Management reviews health, safety and environment performance at each quarterly Board meeting and discusses current and emerging relevant issues. Health, safety and environment targets currently make up 20% of our annual corporate performance scorecard and will reflect the importance of our broader ESG performance in years to come.

Board Committees

To assist it in fulfilling its mandate, the Board has formed the following three standing committees:

Compensation and Governance Committee

The responsibilities of the Compensation and Governance Committee include:

- Assisting the Board in fulfilling its oversight responsibilities of the key compensation and human resources policies of Athabasca.
- Orienting new directors as to the nature and operation of the business and affairs of Athabasca and the role of the Board and its committees.
- Making available continuing education opportunities designed to maintain or enhance the skills and abilities of Athabasca's directors and to ensure that their knowledge and understanding of Athabasca's business remains current.
- Identifying, assessing and recommending to the Board new director candidates for appointment or nomination. See "*Corporate Governance – Board of Directors – Board Renewal and Tenure*" above.
- Establishing and implementing procedures to evaluate the performance and effectiveness of the Board, Board committees, individual directors, the Board Chair, and committee chairs. The procedures include utilizing an annual directors' evaluation questionnaire, which addresses, among other things, individual director and overall board skills, and board effectiveness.
- Reviewing and making recommendations to the Board regarding the CEO's short-term and long-term corporate goals and objectives and performance measurement indicators.
- Making recommendations regarding the results of the annual evaluation to the Board.

A copy of the Compensation and Governance Committee's Mandate is available on the Corporation's website at www.atha.com. See "*Compensation Discussion and Analysis – Compensation Governance*" below for more information respecting the Compensation and Governance Committee.

Reserves Committee

The Reserves Committee assists the Board in fulfilling its oversight responsibilities with respect to the evaluation and reporting of Athabasca's oil and gas reserves and resources and related matters including:

- Reviewing, at least annually, the Corporation's procedures relating to its disclosures under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* and making recommendations to the Board regarding such procedures.

- Making recommendations to the Board regarding the engagement of independent, qualified reserves evaluators or auditors to report to the Board on Athabasca's reserve data.
- Making recommendations to the Board regarding the reserves and resource data of Athabasca that will be made publicly available and filed with applicable regulatory authorities.

A copy of the Reserves Committee's Mandate is available on the Corporation's website at www.atha.com.

Audit Committee

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities with respect to:

- The integrity of Athabasca's annual and quarterly financial statements.
- Athabasca's compliance with accounting and finance-based legal and regulatory requirements.
- The external auditor's qualifications, independence and compensation, and communicating with the external auditor.
- The system of internal accounting and financial reporting controls that management has established.
- The performance of the external audit process and of the external auditor.
- Financial policies and financial risk management practices and transactions or circumstances which could materially affect the financial profile of Athabasca.

In accordance with the Audit Committee mandate, the Audit Committee holds in-camera sessions without management present at each regularly scheduled Audit Committee meeting. A copy of the Audit Committee's Mandate is available on the Corporation's website at www.atha.com.

Compensation Discussion & Analysis

Introduction

The Compensation and Governance Committee is committed to providing a clear and comprehensive discussion of our approach to executive compensation, including our overarching philosophy and objectives of aligning executive compensation with Athabasca's performance. The Corporation's compensation philosophy remains an important focus for the Board as we continue to believe that Athabasca's delivery of profitable and sustainable growth can only be achieved if we attract, retain and motivate talented executives. Athabasca's executive team is small with four current members, and each member has been instrumental to Athabasca achieving strong results through the COVID-19 pandemic.

Athabasca's compensation program is aligned with competitive market practice. The program includes:

- A structured corporate scorecard for determining annual short-term incentive compensation.
- An Omnibus Incentive Plan, designed to ensure alignment with shareholder interests by encouraging equity ownership among our officers, employees and certain service providers to streamline the administration of the Corporation's long-term incentive awards.
- A director DSU program designed to ensure alignment with shareholders.

In 2019, prior to the COVID-19 outbreak being declared a pandemic by the World Health Organization, executive salaries were rolled back by 10% for the full fiscal year in response to volatile commodity pricing and their impact on the corporate financial position. During 2020, in response to the COVID-19 outbreak, the executives elected to implement a similar 10% salary rollback; the Board determined not to award annual Option grants to executives; and the Directly Held Savings Plan, including a corporate contribution of 5% of executive base salaries in Athabasca shares, was suspended. On March 1, 2021, in recognition of an improved macro environment, increased commodity prices and a decrease in the effects of the COVID-19 pandemic on the Corporation, executive salaries were increased by 10% to reinstate them to pre-2019 levels. Further, the Directly Held Saving Plan, including the corporate contribution of 5% of executive base salaries in Athabasca shares, was reinstated on May 1, 2021. The Board continued to forego awarding Options to executives in 2021.

The Compensation and Governance Committee will continue to ensure our incentive programs meet the needs of the Corporation's progressing business, retaining executives, all while being mindful of the sustainability of the programs and the impacts of equity grants on the Corporation's shareholders.

Named Executive Officers

Athabasca's Named Executive Officers ("**NEOs**") are those individuals who served as Chief Executive Officer ("**CEO**"), Chief Financial Officer ("**CFO**") and the Corporation's two other executive officers during the year ended December 31, 2021:

- Robert Broen, President and Chief Executive Officer
- Matthew Taylor, Chief Financial Officer
- Karla Ingoldsby, Vice President, Thermal Oil
- Michael Wojcichowsky, Vice President, Light Oil

Athabasca's Approach to Compensation

Philosophy and Objectives

Our compensation program is designed to link executive pay to corporate performance, thereby aligning executive interests closely with those of the Corporation's shareholders. With significant proportions of "at risk" pay, Athabasca's compensation framework is competitive among Canadian oil and gas companies, with significant upside for high-performance and downside for under-performance.

Our compensation program has been designed to achieve these key objectives:

- Link compensation to Athabasca's performance.
- Align employees' interests with the interests of Athabasca's shareholders.
- Continue to attract and retain superior performing employees.

Compensation Governance

Oversight for Athabasca's executive compensation program is provided by the Board's Compensation and Governance Committee. Among other responsibilities, this Compensation and Governance Committee's mandate includes: (a) establishing key compensation and human resources policies; (b) annually establishing short-term and long-term corporate goals and objectives for the CEO and evaluating the CEO's performance in the context of those goals; (c) setting the CEO's compensation; and (d) establishing the compensation of Athabasca's executive management, including that of the NEOs.

Following the 2021 AGM, the Compensation and Governance Committee was comprised of three members: Bryan Begley, Thomas Ebbern and Carlos Fierro, all of whom are independent. Mr. Fierro will not be seeking re-election at the Meeting. A new member of the Compensation and Governance Committee will be appointed following the Meeting. Mr. Begley's and Mr. Ebbern's previous executive management experience and current board roles are described under "*Director Nominees – Director Nominee Profiles*" above, and Mr. Fierro's executive management experience and current board roles are described below.

Member	Independent	Skills and Experience Relevant to the Compensation and Governance Committee
Bryan Begley	Yes	Mr. Begley has over 12 years of management and executive experience as a managing director of several investment firms. In these roles, Mr. Begley has been directly involved in determining and managing compensation programs.
Thomas Ebbern	Yes	Mr. Ebbern was, until 2019, the CFO of North West Refining for 8 years and has been responsible for managing and overseeing its compensation program and working closely with its Board of Directors and Compensation Committee. As well, Mr. Ebbern has 8 years of experience as Executive Managing Director of Tristone Capital which involved determining and managing staff compensation programs.
Carlos Fierro	Yes	Since May 2016, Mr. Fierro has served as a senior advisor to Guggenheim Securities, the investment banking arm of Guggenheim Partners. Mr. Fierro also serves on the board of directors and audit and conflicts committee of Shell Midstream Partners, GP LLC. Mr. Fierro was previously the Managing Director Global Head of the Natural Resources Group for Barclays PLC.; and a transactional lawyer with Baker Botts LLP. Mr. Fierro has over 19 years of experience in the investment banking business (with a primary focus on the energy sector). As a managing director and the global head of the natural resources group at both Lehman Brothers and Barclays PLC, he dealt with compensation matters related to members of his global banking team. In addition to serving as a member of the Corporation's Compensation and Governance Committee, Mr. Fierro is the current chair of our Audit Committee.

External Consultants and Advisors

To ensure that Athabasca's overall executive compensation is reasonable and competitive with other participants in the Canadian oil and gas industry, Athabasca and the Compensation and Governance Committee engage external advisors to provide advice and information regarding the development of compensation policies, to benchmark Athabasca's pay and performance against a group of peer companies and to conduct comparative pay analyses.

Athabasca participates in (a) Mercer Canada's annual energy industry compensation survey ("**Mercer Survey**"), which entitles the Corporation to access and use Mercer's compensation data to benchmark the Corporation's compensation against other market participants; (b) the "Calgary Exchange Group", which is a group of Calgary-based energy companies that share information about compensation trends; and (c) the "TSX HR Group", which is a group of Calgary-based publicly traded energy companies that also share information about compensation and benefit trends.

Executive Compensation-Related Fees:

	Fees Paid	
Consultant	2020	2021
Mercer Survey	—	$14,175
All Other Fees	—	—

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Pay Comparator Group

Each year, the Compensation and Governance Committee selects a comparator group of companies for the purpose of executive compensation benchmarking. In determining the appropriate peers, the Compensation and Governance Committee sets a range of size and operational criteria to identify comparably sized oil and gas companies that generally operate in similar geographic locations as the Corporation. Athabasca's 2021 peer group was determined to be as follows:

Baytex Energy Corp.	Birchcliff Energy Ltd	Bonterra Energy Corp.
Cardinal Energy Ltd.	Kelt Exploration Ltd.	MEG Energy Corp.
NuVista Energy Ltd.	Obsidian Energy Ltd.	Surge Energy Inc.
Tamarack Valley Energy Ltd.	Whitecap Resources Inc.	

For evaluating compensation for Athabasca's Executive team, the Corporation relies both on market benchmark information from the Mercer Survey as well as compensation data disclosed in the Pay Comparator Group's management information circulars. Management information circulars provide insight into market and pay practices to ensure that Athabasca's executive compensation programs remain competitive and aligned with peers. The Pay Comparator Group is reviewed annually by the Compensation and Governance Committee and approved by the Board with the goal of identifying true peers with similar business, size, risk profile and scope of Athabasca to measure both executive compensation practices as well as relative total shareholder returns for benchmarking purposes.

Elements of Executive Compensation: Linking the Elements to the Compensation Objectives

In fulfilling its mandate, the Compensation and Governance Committee seeks to link Athabasca's executive compensation programs to its compensation objectives described above in "*Compensation Discussion & Analysis – Athabasca's Approach to Compensation*".

In addition to the foregoing, the Board exercises its discretion in terms of how the various discretionary components of executive compensation packages are comprised (as set out in more detail below and in Appendix A – *Description of Long-Term Incentive Plans*) in any given year based on factors which include individual performance and prevailing market conditions.

Total compensation for Athabasca's executive officers (including its NEOs) is comprised of fixed and variable (or "at risk") compensation as further described in the chart below. In general, the target pay mix for executive officers is comprised of: (a) 20% base salary and other compensation; (b) 20% as short-term incentive compensation (annual bonus); and (c) 60% in the form of long-term equity incentive compensation. This pay mix results in approximately 80% of NEO compensation being "at risk".

Element	Risk	Description	Objective
Base salary	No risk	Fixed cash compensation for the services provided by the executive officer	Provide competitive level of fixed compensation
Annual short-term incentives	At risk	Cash bonus, 75% (100% for the CEO) of which is based on the Corporation's performance against defined corporate metrics with the balance based on the achievement of pre-determined individual performance objectives	Reward individual contribution and achievement towards annual corporate objectives
Long-term incentives	Variable and at risk	Annual grants, which may be comprised of a mix of RSUS, PSUs and Options with different vesting horizons	Align executives' interests with shareholders and provides retention
Other	No risk	NEOs have the opportunity to participate in other programs and benefits that are generally available to all Athabasca employees, including an Directly Held Savings Plan (as described below)	Provide a comprehensive and attractive executive compensation program

Base Salary

Base salaries provide employees and executive officers with a competitive level of fixed cash compensation. The base salary of each executive officer compensates them for performing day-to-day responsibilities and reflects the complexity of their role, performance in role, and their industry experience.

Annual Short-Term Incentive Compensation

All of the Corporation's employees including its executive officers are eligible to receive annual cash bonus awards under the Corporation's short-term incentive ("**STI**") compensation program. Athabasca's STI program has been designed to provide competitive annual bonuses that are based on both corporate and individual performance. Performance measures are used to incent employees to meet or exceed individual and business-related objectives that are aligned with the execution of the Corporation's long-term strategy.

Target STI awards are set for each executive position as a percentage of base salary and in reference to the median to P75 of the comparator group for positions of similar responsibilities. In 2021, the target STI award for each NEO was 50% of their respective base annual salaries, with the exception of the President and CEO, whose target STI was 100%. Each NEO (other than the CEO) may achieve an annual cash bonus payout of between 0% and 150% of their target STI. The CEO may achieve an annual cash bonus payout of between 0% and 200% of his target STI.

For 2021, the annual cash bonuses paid were calculated on a mix of corporate and individual objectives, with weightings as follows:

Executive	Corporate Scorecard	Individual Performance
CEO	100%	0%
Other NEOs	75%	25%

and were determined using the following formula:

$$\text{Salary} \times \text{Target STI (\% of Salary)} \times \left[\left(\text{Corporate Scorecard Weight} \times \text{Corporate Scorecard Result} \right) + \left(\text{Individual Performance Weight} \times \text{Individual Performance Result} \right) \right] = \text{Annual Cash Bonus}$$

Athabasca's 2021 Corporate Scorecard Performance

Each year, Athabasca develops a corporate scorecard containing metrics by which it evaluates and measures its performance in key aspects of the Corporation's business (the "**Corporate Scorecard**").

In 2021, the Corporation met or exceeded all Corporate Scorecard metrics. Of special note in 2021 was management's completion of the balance sheet refinancing in October 2021. Further, the Corporation's stock saw a total shareholder return ("**TSR**") that outperformed peers, creating significant shareholder value. The weightings allocated to each of the Scorecard metrics, and Athabasca's performance against each metric is outlined in the table below.

Performance Driver	Key Performance Indicator	Target(1)	Achieved(1)	Rating	Weight	Contribution
Health, Safety and Environment	TRIF	0.5	0.6	100%	20%	20%
	ERP Drills	12	14			
	Contractor Verification Audits	16	18			
	ESG Disclosure (Internal Reports)	4	4			
Average Production	Light Oil	7,438 boe/d	7,813 boe/d			
	Thermal Oil	25,526 boe/d	26,805 boe/d			
	Corporation Total	32,964 boe/d	34,618 boe/d(2)	125%	20%	25%
Costs	Light Oil Operating Expense	$29.0 MM	$24.4 MM			
	Thermal Oil Operating Expense	$174.7 MM	$156.4 MM			
	Gross G&A Costs(3)	$31.8 MM	$31.2 MM			
	Corporation Total	$235.5 MM	$212.0 MM	150%	20%	30%
Capital Investment	Light Oil	$5.7 MM	$4.7 MM			
	Thermal	$91.4 MM	$77.9 MM			
	Corporate	$0.0 MM	$0.0 MM			
	Corporation Total	$97.1MM	$82.6 MM	150%	20%	30%
Corporate & Strategic Development	Business Development			150%	20%	30%
	Corporate Strategy & Financing					
	Share Price Performance					
	Shareholder Transition					
	HR & People					
					Total	**135%(4)**

Note:

(1) Target metrics are normalized for non-controllable items such as commodity price input costs.

(2) 2021 production was comprised of: 26,805 bbl/d of bitumen, 2,164 bbl/day of tight oil and light & medium oil (99% or more of which was tight oil), 1,375 bbl/d of condensate NGLs, 856 bbl/d of other NGls, 20,506 mcf/d of shale gas and conventional natural gas (99% or more of which was shale gas). Thermal Oil production was comprised of bitumen production, with Light Oil production comprised of the previously mentioned product types other than bitumen.

(3) Gross G&A Costs is calculated before operating and capital recoveries.

(4) Numbers may not add exactly due to rounding.

Individual NEO Performance

Early in 2021, each executive officer developed key strategic personal deliverables in support of Athabasca's 2021 corporate objectives. In early 2022, the CEO met with each of the Corporation's executive officers as part of an annual review process to discuss and evaluate their individual 2021 performance and achievements. Following this review, the quantum of recommended cash bonus awards was reviewed by the Compensation and Governance Committee and advanced to the Board for approval.

Long-Term Incentive Compensation

Athabasca believes that equity-based long term incentive ("**LTI**") awards allow the Corporation to reward its executive officers for their sustained contributions to the Corporation. Equity-based awards also promote executive continuity and retention and align executives' interests with those of the Corporation's shareholders by providing "at risk" compensation, the value of which is dependent on corporate performance linked to share performance. With these goals in mind, the Board also carefully considers the overall sustainability of its compensation programs and the dilutive effects of granting LTI.

When considering a grant of equity-based awards to an executive officer, the Board takes into consideration the total number of equity-based awards that have been previously granted to that executive officer and industry peer and market practices. In 2021, the LTI mix granted to NEOs was solely comprised of 2015 RSUs granted pursuant to the 2015 RSU Plan on the terms set out below (see "Appendix A – *Description of Long-Term Equity Incentive Plans – 2015 RSU Plan"*):

Key Features	2015 RSUs
2021 LTI Mix	100%
Vesting Period	3-Year Ratable
Term	3 Years
Award Size	Target grant sizes set as a % of base salary. Final grant size subject to Board discretion.
2021 Performance Goals	None
Performance Framework	None
Settlement	Common Shares or Cash, as determined by the Board

Historically, the LTI mix granted to NEOs has included Performance Awards which have value only if Athabasca's TSR is at least above the 25th percentile of its peer group and if Athabasca meets certain operational and corporate strategic performance thresholds in its Corporate Scorecard. No Performance Awards were granted under the Performance Plan in 2021 because no unallocated awards were available for issuance under the Performance Plan at the time of the Board's determination of the 2021 LTI mix (see "Appendix A – *Description of Long-Term Equity Incentive Plans – Performance Plan – Grant of Performance Awards and Assignability"*). On May 5, 2021, the shareholders of the Corporation approved the Corporation's new omnibus long term incentive plan which provides for, among other things, the issuance of performance share units ("**PSUs**"). In 2022, the Board intends to incorporate PSUs into the LTI mix granted to NEOs with the same performance measures as the Performance Awards previously issued under the Performance Plan.

2021 Executive LTI Targets

LTI award targets are set for each executive officer based upon market competitive levels for roles of similar scope of responsibility. Actual awards in each year may vary from target based on the Board's assessment of individual performance and the prevailing market conditions for that year. Generally, though, the LTI target for each NEO is 200% of their respective base annual salaries, with the exception of the President and Chief Executive Officer, whose LTI target is 300%.

2015 RSU Plan

Executives and employees participate in the 2015 RSU Plan, which allows the Board to grant RSUs, each of which is a unit that is equivalent in value to a Common Share and that upon vesting, results in the holder thereof typically being issued a Common Share. The Board believes that RSUs align the interests of all employees, including the executive officers, with the interests of shareholders, thereby creating a link between executive compensation, the long-term corporate performance of Athabasca and the creation of shareholder value. The Corporation no longer grants RSUs pursuant to the 2015 RSU Plan, and all future grants of RSUs shall be granted pursuant to the Corporation's new omnibus long term incentive plan.

Omnibus Incentive Plan

On March 29, 2021, the Corporation adopted a new omnibus long term incentive plan (the "**Omnibus Incentive Plan**"), which was approved by the shareholders of the Corporation on May 5, 2021. The Omnibus Incentive Plan is a long-term incentive plan that permits the grant of RSUs, PSUs, Options and other security based awards to officers, employees and certain service providers of the Corporation and its affiliates (collectively, the "**Eligible Individuals**"). No awards were granted to NEOs pursuant to the Omnibus Incentive Plan in 2021.

See Appendix A – *Description of Long-Term Equity Incentive Plans – Omnibus Incentive Plan* for a description of the Omnibus Incentive Plan.

Other Compensation

Directly Held Savings Plan

The Corporation has a group employee registered retirement savings plan (the "**RRSP**") to assist employees in meeting their retirement and savings goals. Under the RRSP, employees (including the NEOs) may elect to contribute between 1% and 4% of their salary to the RRSP and the Corporation makes a matching contribution. The amount of the matching contribution depends on the number of years of service that an NEO has provided to the Corporation, as is set forth below:

Years of Service	Matching Contribution
Less than 3	100% up to 4% of base salary
3 – 8, and all full-time, field-based employees	150% up to 6% of base salary
Over 8	200% up to 8% of base salary

Under the Corporation's Directly Held Savings Plan, the Corporation contributes on each participating employee's behalf an amount equal to 5% of the participating employee's base salary into an individual Directly Held Savings Plan account to solely purchase Athabasca Common Shares in the market. The objectives of the Directly Held Savings Plan is to provide all employees (including the NEOs) the opportunity to participate in the growth potential of the Corporation and further align their interests with the long-term goals of the Corporation. This program was suspended April 16, 2020 in a response to the Corporation's commitment to manage costs during the COVID-19 pandemic and was reinstated by the Corporation on May 1, 2021.

Compensation Risk

Risk Assessment

As part of its annual review of the Corporation's compensation program, one of the Compensation and Governance Committee's objectives is to ensure that the Corporation's compensation program provides executive officers with appropriate incentives to achieve both short-term and long-term corporate objectives, without motivating them to take inappropriate or excessive risks. The Compensation and Governance Committee did not identify any significant areas of risk arising from the Corporation's compensation policies and practices that would be reasonably likely to have a material adverse effect on the Corporation.

In 2021, the Compensation and Governance Committee considered the following aspects of the Corporation's compensation program, among others:

- a significant portion of executive compensation is at risk (not guaranteed) and is variable year over year. For example, annual short-term incentive compensation is granted in the form of annual cash bonus awards that are determined by the Board with reference to a target percentage of annual base salary, adjusted for corporate and personal performance during the performance period; and
- the 2015 RSU Plan is designed such that RSUs vest one-third per year on the first, second and third anniversaries of the grant date, which the Corporation believes reduces the risk of executives taking actions which may only have short-term benefits.

Compensation risk has also been mitigated through the Corporation's policies that are described below.

Restrictions on Short-Selling and Derivative Transactions

In accordance with the Corporation's Trading and Black-Out Policy, executive officers and the directors of the Corporation are prohibited from: (a) short selling securities of the Corporation ("**Securities**") or otherwise speculating in Securities with the intention of reselling or buying back such Securities in a relatively short period of time in the expectation of a rise or fall in the market price of Securities; (b) buying or selling put or call options or other derivatives in respect of Securities; or (c) entering into other transactions which have the effect of hedging the economic value of any direct or indirect interest in Securities, including financial instruments such as prepaid variable forward contracts, equity swaps or collars.

Share Ownership Guidelines

The Board implemented a mandatory equity ownership policy for directors and executive officers in 2014. See Appendix C – "*Equity Ownership and Retention Guidelines for Non-Executive Directors and Executive Officers*" for a detailed description of the guidelines. On March 16, 2022, the Board approved an amendment to the Corporation's Equity Ownership and Retention Guidelines to increase the share ownership requirement for non-executive directors and to include a non-executive director's equity retainer in the calculation of their equity accumulations.

All executives and directors met our Equity Ownership and Retention Guidelines in 2021.

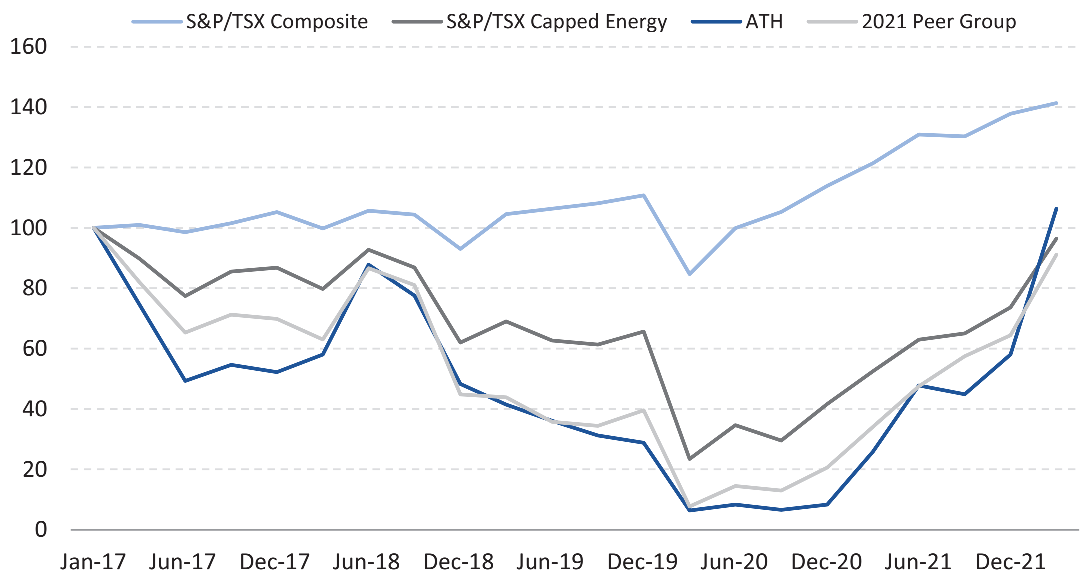
Clawback Policy

In 2017, the Board adopted an Executive Compensation Clawback Policy pursuant to which the independent directors of the Corporation may rectify or prevent the unjust enrichment of an executive who, through his or her own misconduct, improperly receives incentive compensation beyond what he or she would, in the absence of such misconduct, have otherwise been entitled to receive.

Executive Compensation Alignment with Shareholder Value

Performance Graph

Our Common Shares trade on the TSX under the symbol "ATH". The following graph compares the cumulative shareholder return of the Common Shares assuming an initial investment of $100 on January 1, 2017 and assuming reinvestment of dividends, with the cumulative shareholder return of the S&P/TSX Energy Index and Athabasca's 2021 Pay Comparator Group (see *"Compensation Discussion and Analysis – Athabasca's Approach to Compensation – Pay Comparator Group"*).



The trend shown in the graph above does not generally correlate with the compensation that was awarded to the NEOs over the same period as the value awarded is not necessarily reflective of the value ultimately realized by the NEO once long-term incentive awards vest.

Compensation "At Risk"

As part of Athabasca's pay philosophy, a significant portion of NEO compensation is "at risk". See "*Elements of Executive Compensation: Linking the Elements to the Compensation Objectives*".

Each NEO's contribution to the leadership of Athabasca and company performance is reflected in his or her annual bonus, which is based 75% (100% for the CEO) on the Corporation's performance against its Corporate Scorecard. In addition, the value of the LTI granted to NEOs is directly tied to the Corporation's share price.

It is important to note that the value of the share-based awards and Option-based awards reflected in the "*Summary Compensation Table – NEOs*" below are the notional fair market values of such equity-based incentive awards as of the date they are awarded. These values are reported pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* and do not reflect the eventual payout received by the NEOs for the share-based awards and option-based awards.

A NEO's actual, realized payout is subject to the NEO first meeting certain vesting requirements as set out in the applicable equity incentive plan and depends on the price of the underlying Common Shares at the time of exercise or release.

Options have a realized value only if the price of the Common Shares increases above the exercise price after the Option's applicable vesting date. Performance Awards have value only if Athabasca's TSR is at least above the 25th percentile of its peer group and if Athabasca meets certain operational and corporate strategic performance thresholds in its Corporate Scorecard. The value of an RSU decreases or increases with the value of a Common Share. As a result, there is a correlation between the price performance of the Common Shares and the NEOs' "realized" compensation at the time the equity incentive award is settled. NEO compensation is highly impacted by share price changes as up to 60% of each NEO's total compensation is comprised of long-term incentives. The below table demonstrates the difference between the reported compensation (See "*Summary Compensation Table – NEOs*") and realized compensation of the NEOs from 2019 to 2021.

Name and principal position	Year	Total Reported "As Granted" Compensation ($)(1)	Total Realized Compensation(2)	Realized vs Reported Compensation ($)	Realized as a Percentile of Reported Compensation (%)
Robert Broen, President and Chief Executive Officer	2021	3,933,239	2,385,174	(1,548,066)	61%
	2020	4,052,465	2,679,652	(1,372,813)	66%
	2019	2,604,666	1,769,632	(835,034)	68%
Matthew Taylor, Chief Financial Officer	2021	1,642,223	976,941	(665,282)	59%
	2020	1,464,239	860,128	(604,111)	59%
	2019	1,126,031	771,933	(354,098)	69%
Karla Ingoldsby, Vice President, Thermal Oil	2021	1,669,122	984,083	(685,039)	59%
	2020	1,327,299	722,113	(605,186)	54%
	2019	1,167,649	656,860	(510,789)	56%
Michael Wojcichowsky, Vice President, Light Oil	2021	1,351,195	755,247	(595,948)	56%
	2020	1,136,096	516,847	(619,249)	45%
	2019	704,920	507,342	(197,579)	72%

Notes:

(1) Represents the total compensation received by the NEO including salary, share-based awards, option-based awards, non-equity incentive plan compensation, and all other compensation as reported in the *"Summary Compensation Table – NEOs*".

(2) Represents the income included in *"Summary Compensation Table – NEOs*" that is reported as income on the NEO's tax filing for the applicable year, adjusted such that realized compensation includes the annual bonus in the year it was earned.

Compensation of Named Executive Officers

Summary Compensation Table – NEOs

The following table sets out information concerning the compensation paid by the Corporation to the NEOs during the years ended December 31, 2021, December 31, 2020 and December 31, 2019. Due to the unpredictable macro climate affecting the oil and gas sector and extreme pricing volatility experienced by Canadian producers during 2018, the Corporation's executives elected to take a 10% base salary rollback effective January 1, 2019, which was approved by the Board. In January 2020, the Board reinstated 2018 salaries for our executives and removed the 10% base salary rollback that was in effect since 2019. However, in response to the COVID-19 pandemic, reduced global energy demand and reduced commodity prices, the executives elected to maintain the 10% base salary rollback on April 16, 2020. On March 1, 2021, in recognition of an improved macro environment, increased commodity prices and a decrease in the effects of the COVID-19 pandemic on the Corporation, executive salaries were increased by 10% to reinstate them to pre-2019 levels.

					Non-equity incentive plan compensation ($)				
Name and principal position	Year	Salary ($)(1)	Share-based awards ($)(2)	Option-based awards ($)(3)	Annual incentive plans(4)	Long-term incentive plans(5)	Pension Value ($)	All other compensation ($)(6)	Total compensation ($)
Robert Broen,	2021	512,121	1,560,000	—	884,000	918,815	N/A	58,303	3,933,239
President and	2020	486,515	1,560,000	—	1,967,600	—	N/A	38,350	4,052,465
Chief Executive Officer	2019	472,727	1,403,920	156,018	520,000	—	N/A	52,000	2,604,666
Matthew Taylor,	2021	329,324	669,981	—	232,500	379,456	N/A	30,962	1,642,223
Chief Financial Officer(7)	2020	313,428	670,020	—	457,100	—	N/A	23,691	1,464,239
	2019	289,141	567,088	62,996	175,000	—	N/A	31,806	1,126,031
Karla Ingoldsby,	2021	337,500	689,988	—	232,400	370,734	N/A	38,500	1,669,122
Vice President, Thermal Oil	2020	308,750	660,036	—	329,000	—	N/A	29,513	1,327,299
	2019	293,182	593,952	66,002	176,400	—	N/A	38,114	1,167,649
Michael Wojcichowsky,	2021	295,455	600,015	—	194,100	230,398	N/A	31,227	1,351,195
Vice President, Light Oil(8)	2020	280,682	648,053(9)	10,045(10)	176,100	—	N/A	21,216	1,136,096
	2019	266,667	286,120	—	122,800	—	N/A	29,333	704,920

Notes:

(1) For 2019, a 10% salary rollback was implemented. For 2020, the executives elected to also maintain the 10% rollback, effective April 16, 2020. For 2021, executive salaries were increased by 10% effective March 1, 2021 to reinstate them to pre-2019 levels.

(2) The value of share-based awards is based on the 20-day volume weighted average price which was calculated on February 26, 2019 ($0.92) for 2019 awards, on March 4, 2020 ($0.39) for 2020 awards, on March 2, 2021 ($0.39) for 2021 awards.

(3) The value of Option-based awards is based on the grant date fair value of the applicable awards calculated using the Black-Scholes-Merton formula in accordance with International Financial Reporting Standards 2 Share-based Payment. The weighted average assumptions used in valuation of Option-based awards are outlined in the table below:

Assumption/Estimate	2021	2020	2019
Risk free interest rate	N/A	1.3%	1.6%
Estimated forfeiture rate	N/A	7.0%	7.0%
Expected life (years)	N/A	4.5	4.5
Dividend rate	N/A	0%	0%
Volatility	N/A	56.4%	57.0%
Grant date fair value (per Option)	N/A	$0.41	$0.40
Grant date fair value (per RSU)	$0.49	$0.19	$0.85

(4) Reflects bonuses earned by the NEOs in respect of the applicable year's performance. This includes a special bonus in 2020 that the Board awarded to certain executives for successful completion of financings and commercial transactions essential to the Corporation.

(5) In 2021, the Board settled 2021 vesting 2015 RSUs and Performance Awards as cash as a one-time settlement. The value of this settlement is based on the 5-day volume weighed average price which was calculated on April 1, 2021, for vesting shares ($0.49).

(6) *"All Other Compensation"* includes employer matching contributions made by the Corporation on the NEO's behalf pursuant to the RRSP, and the DHS or to the non-registered savings plan referenced in *"Other Compensation – Directly Held Savings Plan"*. In no case did other personal benefits exceed in aggregate more than $50,000 or ten percent (10%) of the NEOs total salary for the financial year.

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(7) Mr. Taylor was appointed as Chief Financial Officer effective November 6, 2019.

(8) Mr. Wojcichowsky was promoted to Vice President, Light Oil effective January 1, 2020.

(9) This value represents grants to Mr. Wojcichowsky of: (a) 36,700 Performance Awards and 36,700 2015 RSUs as a promotional grant; and (b) 1,538,400 2015 RSUs and Performance Awards as his annual 2020 grant.

(10) This value represents a promotional grant of 24,500 Options to Mr. Wojcichowsky upon his appointment has Vice President, Light Oil.

Long-Term Equity Incentive Plans

Detailed descriptions of Athabasca's long-term equity incentive plans are contained in Appendix A to the Circular. These plans consist of the Omnibus Incentive Plan, the Option Plan, the Performance Plan, and the 2015 RSU Plan. Since the implementation of the Omnibus Incentive Plan, the Corporation does not grant incentive awards under the Option Plan, the Performance Plan or the 2015 RSU Plan. The maximum number of Common Shares issuable on the exercise or conversion of outstanding securities granted under any of such plans, at any time, is limited to 10% of the number of Common Shares that are issued and outstanding, less the number of Common Shares that are issuable pursuant to all other security based compensation arrangements of Athabasca. In addition, the number of Common Shares reserved for issuance to any one participant under all security based compensation arrangements of Athabasca may not exceed 10% of the issued and outstanding Common Shares. The number of Common Shares issuable to insiders (as defined by the TSX for this purpose) at any time, as well as the number of Common Shares issued to insiders (as defined by the TSX for this purpose) within any one-year period under all security based compensation arrangements of Athabasca, may not exceed 10% of the issued and outstanding Common Shares.

As at December 31, 2021, the total number of Common Shares issuable to insiders under all of its security based compensation arrangements was approximately 4.7% of its total issued and outstanding Common Shares.

Burn Rate

The following table sets forth the annual burn rate for each of the three most recently completed fiscal years for each of the Corporation's equity incentive plans. The burn rate has been calculated by dividing the number of awards granted under the arrangement during the applicable fiscal year, by the weighted average number of securities outstanding for the applicable fiscal year:

The burn rate has been calculated by dividing the number of awards granted under the arrangement during the applicable fiscal year, by the weighted average number of securities outstanding for the applicable fiscal year:

Plans	2019	2020	2021
Omnibus Incentive Plan – *RSUs*	—	—	0.0%
Option Plan – *Options*	0.3%	0.0%	0.0%
Performance Plan[(1)] – *Performance Awards*	0.5%	0.9%	0.0%
2015 RSU Plan – *2015 RSUs*	1.9%	0.9%	2.4%
Total	2.7%	1.8%	2.4%

Notes:

(1) Assuming a payout multiplier of 100% for the 2018 Performance Awards, which vested on April 1, 2021.

(2) Numbers do not add precisely due to rounding.

Outstanding Share-Based Awards and Option-Based Awards – NEOs

The following table set forth information regarding all Options, Performance Awards and 2015 RSUs held by each NEO as of December 31, 2021.

	Option-Based Awards(1)				Share-Based Awards(3)		
Name	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(2)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($)(4)	Market or payout value of vested share-based awards not paid out or distributed ($)
Robert Broen	508,700	0.8531	01-Apr-2026	171,381	8,350,666	8,784,712	—
	2,771,400	1.50	01-Apr-2024	—			
	646,400	1.43	01-Apr-2023	—			
	541,700	2.07	01-Apr-2022	—			
Matthew Taylor	205,400	0.8531	01-Apr-2026	69,199	3,560,499	3,741,612	—
	574,000	1.50	01-Apr-2024	—			
	262,900	1.43	01-Apr-2023	—			
	178,100	2.07	01-Apr-2022	—			
Karla Ingoldsby	215,200	0.8531	01-Apr-2026	72,501	3,609,933	3,808,163	—
	56,900	1.07	01-Apr-2023	6,828			
	36,400	2.07	01-Apr-2022	—			
Michael Wojcichowsky	24,500	0.41	01-Feb-2027	19,110	3,076,765	3,194,206	—
	43,700	1.07	01-Apr-2023	5,244			
	38,400	2.07	01-Apr-2022	—			

Notes:

(1) See "*Long-Term Equity Incentive Plans*".

(2) Options are defined in the money if the Option exercise price is greater that the Common Share price of $1.19 (the closing price of the Common Shares on the TSX on December 31, 2021).

(3) See "*Long-Term Equity Incentive Plans*".

(4) Performance Awards provide a single payout upon their 3 year cliff vesting. The Award Value of Performance Awards is based on the performance multiplier determined for the performance period(s). The minimum award value may be $0. The value of unvested Performance Awards is based on the current weighted average performance multiplier for the performance period(s) multiplied by the number of units and $1.19, being the closing price of the Common Shares on the TSX on December 31, 2021. The value of unvested RSUs is based on the number of units multiplied by $1.19, being the closing price of the Common Shares on the TSX on December 31, 2021.

ATHABASCA OIL CORPORATION

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

The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended December 31, 2021, and the value of non-equity incentive plan compensation during the year ended December 31, 2021.

Name	Option-based awards – Value vested during the year ($)(1)	Share-based awards – Value vested during the year ($)(2)	Non-equity incentive plan compensation –Value earned during the year ($)(3)
Robert Broen	—	918,815	884,000
Matthew Taylor	—	379,456	232,500
Karla Ingoldsby	—	370,734	232,400
Michael Wojcichowsky	—	230,398	194,100

Notes:

(1) None of the Options are defined as "in-the-money" calculated by determining the difference between the trading price of the Common Shares and the exercise price of the vested securities on the applicable vesting dates (or the next trading day if the securities vested on a date when the TSX was closed).

(2) The value vested during the year for share-based awards (2015 RSUs and Performance Awards) has been calculated by multiplying the number of share-based awards vested by the market price at the time of release.

(3) Reflects 2021 annual bonuses earned by the NEOs for the year ended December 31, 2021.

Termination and Change of Control Benefits

Except as described below, Athabasca has not entered into any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of Athabasca or a change in an NEO's responsibilities.

Executive Employment Agreements

The Corporation has entered into executive employment agreements with each of the NEOs that outline the terms and conditions of their employment with the Corporation and treatment in the event of termination, resignation or change of control. These agreements provide for base salary, benefits, a discretionary annual bonus and grants of equity incentive awards.

Pursuant to the current executive employment agreements that are in effect as of the date of this Circular, Athabasca may immediately terminate the employment of:

(a) Mr. Wojcichowsky at any time (other than for just cause) with payment to the NEO of a retiring allowance equal to the sum of one times his current annual salary plus the average of any cash bonus paid in the previous year and an amount equal to 15% of his retiring allowance for the loss of benefits, and

(b) Mr. Broen, Mr. Taylor and Ms. Ingoldsby at any time (other than for just cause) with payment to the NEO of a retiring allowance equal to the sum of two times their current annual salary plus the average of any cash bonus paid in the previous two years and an amount equal to 20% for Mr. Broen and 15% for Mr. Taylor and Ms. Ingoldsby of their respective retiring allowance for the loss benefits.

These payments are collectively the "**Applicable Retiring Allowance**" for each NEO.

If an event occurs such that an NEO no longer has a substantially equivalent role within a year following a change of control of Athabasca, the NEO has the right to terminate his or her employment upon providing Athabasca two weeks advance written notice, and unless Athabasca makes the request described below, Athabasca must pay the Applicable Retiring Allowance to the NEO. If the NEO elects to resign from his or her employment within one year of a change of control of Athabasca, he or she must, at the request of Athabasca, continue his or her employment with Athabasca for a period of up to six months (three months in respect of the CEO) with existing compensation and benefits to provide transition services and other duties requested by Athabasca. Any changes to the NEO's position or his or her duties during the transition period will not constitute constructive dismissal.

In order to receive the Applicable Retiring Allowance, the NEO must execute a full and final release in favor of Athabasca and resign from any of the NEO's director or officer roles at Athabasca if requested by the Board.

Pursuant to the terms of the executive employment agreements, the NEOs have an obligation to not reveal confidential or proprietary information of Athabasca during employment or at any time thereafter. In addition, for a period of one year after employment ceases, regardless of the reason for the cessation of employment, the NEOs cannot, directly or indirectly, solicit, induce, encourage or facilitate any employees or consultants of Athabasca to leave the employment of, or consulting relationship with, Athabasca.

If the executive employment agreements had been terminated as of December 31, 2021 and the Applicable Retiring Allowance had been payable by Athabasca pursuant to such agreements, the following aggregate amounts would have been paid to the following NEOs: Mr. Broen – $3,735,600; Mr. Taylor – $1,402,600 and Ms. Ingoldsby – $1,298,900; and Mr. Wojcichowsky's $521,100.

Options, RSUs, PSUs and Performance Awards

In the event there is a change of control of the Corporation (as defined in the applicable plan), the NEOs are entitled to receive varying treatment under the Option Plan, 2015 RSU Plan and Performance Plan. See Appendix A – *Description of Long-Term Equity Incentive Plans*. The NEOs were not issued any awards pursuant to the Omnibus Incentive Plan in 2021.

If the NEO is provided a termination notice that the NEO's employment with the Corporation will terminate within 30 days of the change of control: (i) the NEO's Options will vest immediately and terminate within 90 days; (ii) the NEO's 2015 RSUs vest immediately prior to the change of control unless the Board establishes an earlier vesting date; and (iii) the NEO becomes entitled to Performance Awards, the calculation of which depends on when the change of control occurs.

If the NEO has continuing employment after the change of control, he or she becomes entitled, as applicable, to: (i) an Option cash bonus; (ii) the value of any 2015 RSU awards fixed as of the date of the change of control but vesting in accordance with the original grant and paid in cash; and (iii) payment under the Performance Plan contingent on the NEO remaining in the continuous employ for the period of the original grant.

For additional information, see Appendix A – "*Description of Long-Term Equity Incentive Plans*".

The following table outlines the estimated incremental payment, payables and benefits that theoretically would have been obtained by the NEO's pursuant to their Options, Performance Awards, and 2015 RSUs if a change of control were to have occurred on December 31, 2021.

Name	Options Issued Under the Revised Option Plan/ Agreement w/Optionee Termination Notice ($)(1)(2)	Options Cash Bonus (w/o Optionee Termination Notice) ($)(1)	Performance Award/ 2015 RSU Change of Control Award Value (w/ Service Provider Termination Notice) ($)(1)	Performance Award/ 2015 RSU Contingent Change of Control Award Value (w/o Service Provider Termination Notice) ($)(1)
Robert Broen	171,381	83,493	10,593,512	10,593,512
Matthew Taylor	69,199	33,712	4,518,492	4,518,492
Karla Ingoldsby	79,329	35,321	4,573,466	4,573,466
Michael Wojcichowsky	24,354	18,620	3,923,062	3,923,062

Notes:

(1) See Appendix A – "*Description of Long-Term Equity Incentive Plans*" for additional details and for descriptions of the defined terms set out in the table.

(2) Based on the Common Share price of $1.19 (the closing price of the Common Shares on the TSX on December 31, 2021).

(3) Assumes a change of control price of $1.19 (the closing price of the Common Share on the TSX on December 31, 2021). The NEO cash bonus is payable on the schedule vesting dates pursuant to the Option Agreement.

Securities authorized for issuance under equity compensation plans

The following table sets forth information in respect of securities authorized for issuance under each of the Corporation's equity compensation plans approved at December 31, 2021.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Number of Securities Outstanding as a percentage of the issued and outstanding Common Shares as at December 31, 2021	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Options (Option Plan)	6,470,033	1.2%	$1.46	—
Performance Awards (Performance Plan)	6,450,700	1.2%	$0.0	—
2015 RSUs (2015 RSU Plan)	17,431,129	3.3%	$0.0	—
RSUs (Omnibus Incentive Plan)	97,100	0.0%	$0.0	—
Equity compensation plans approved by securityholders	30,448,962	5.7%	$1.46	22,620,310
Equity compensation plans not approved by securityholders	—		—	—
Total	30,448,962		$1.46	22,620,310

Notes:

(1) Pursuant to the Omnibus Incentive Plan, Option Plan, Performance Plan, and the 2015 RSU Plan, the maximum number of Common Shares issuable on exercise/vesting of Options, Performance Awards and 2015 RSUs at any time is limited to 10% of the outstanding Common Shares, less the number of Common Shares issuable pursuant to all other security based compensation arrangements (as defined in the TSX Company Manual), which includes the Omnibus Plan, Option Plan, Performance Plan, and the 2015 RSU Plan.

Interest of Informed Persons in Material Transactions

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

Interest of Certain Persons or Companies in Matters to be Acted Upon

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

Indebtedness of Directors, Executive Officers and Others

No director, proposed nominee for election as a director of the Corporation, executive officer or former executive officer or director of the Corporation, any associate of any such director or officer, or any employee or former employee is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation, nor, at any time since the beginning of the most recently completed financial year of the Corporation, has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Other Matters Coming Before The Meeting

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Annual General Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

Additional Information

Additional information relating to the Corporation is available electronically on SEDAR at www.sedar.com or on the Corporation's website at www.atha.com. Financial information is provided in our comparative financial statements and management's discussion and analysis for our most recently completed financial year. Copies of our comparative financial statements and related management's discussion and analysis for our most recently completed financial year may be obtained by shareholders by contacting our Chief Financial Officer at Athabasca Oil Corporation, Suite 1200, 215 – 9th Avenue SW, Calgary, Alberta T2P 1K3 (Telephone: (403) 237-8227).

ATHABASCA OIL CORPORATION
DESCRIPTION OF LONG-TERM EQUITY INCENTIVE PLANS

The following are descriptions of each of Athabasca's long-term equity incentive plans, which include the Omnibus Incentive Plan, the Performance Plan, the 2015 RSU Plan and the Option Plan (collectively, "**Security Based Compensation Arrangements**"). The DSU Plan is also described.

GENERAL LIMITATIONS APPLICABLE TO ALL LTI PLANS

Grants made under each of Athabasca's Security Based Compensation Arrangements are subject to the following limitations:

(a) the maximum number of Common Shares issuable in aggregate pursuant to outstanding rights granted under all Security Based Compensation Arrangements at any time shall be limited to 10% of the aggregate number of issued and outstanding Common Shares;

(b) the number of Common Shares reserved for issuance to any one participant under all Security Based Compensation Arrangements shall not exceed 10% of the issued and outstanding Common Shares;

(c) the number of Common Shares issuable to insiders, at any time, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares; and

(d) the number of Common Shares issued to insiders, within any one year period, under all Security Based Compensation Arrangements, shall not exceed 10% of the issued and outstanding Common Shares.

OMNIBUS INCENTIVE PLAN

Purpose of the Omnibus Incentive Plan and Eligibility

The Omnibus Incentive Plan, which came into effect on March 29, 2021, is a long-term incentive plan that permits the grant of RSUs, PSUs and Options and other security based awards to officers, employees and certain service providers of the Corporation and its affiliates. The Omnibus Incentive Plan is designed to, among other things, promote a proprietary interest in the Corporation among Eligible Individuals and to align the interests of such individuals with the interests of shareholders. The Omnibus Incentive Plan also streamlines the administration of long term incentive awards, as all new awards granted by the Corporation to Eligible Individuals are governed by this single plan and the Corporation will no longer grant awards pursuant to the Performance Plan, the 2015 RSU Plan and the Option Plan.

Shares Reserved for Issuance

The maximum number of Common Shares available for issuance under the Omnibus Incentive Plan or any other Security Based Compensation Arrangement is fixed at 10% of the aggregate number of issued and outstanding Common Shares from time to time.

To the extent any awards under the Omnibus Incentive Plan or any other Security Based Compensation Arrangement terminate or are cancelled for any reason prior to exercise or settlement in full or are settled in cash or Common Shares acquired on the TSX, the Common Shares subject to such awards are added back to the number of Common Shares available for issuance.

Any Common Shares issued by the Corporation through the assumption or substitution of outstanding Options or other equity based awards from an entity acquired by the Corporation does not reduce the number of Common Shares available for issuance under the Omnibus Incentive Plan.

As at December 31, 2021, there were 97,100 Common Shares reserved for issuance upon the vesting of outstanding RSUs under the Omnibus Incentive Plan, representing approximately 0.0% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2021, no Common Shares were issued in relation to outstanding awards under the Omnibus Incentive Plan upon settlement of RSUs, representing 0% of the number of issued and outstanding Common Shares as at December 31, 2021. No Options, PSUs or other security based awards were issued pursuant to the Omnibus Incentive Plan in 2021.

Insider Participation Limits and Other Participation Limits

The number of Common Shares that are issuable to insiders of the Corporation, at any time, under the Omnibus Incentive Plan or any other Security Based Compensation Arrangement, cannot exceed 10% of our total issued and outstanding Common Shares.

The number of Common Shares issued to insiders of the Corporation, within any one year period, under the Omnibus Incentive Plan or any other Security Based Compensation Arrangement of the Corporation, cannot exceed 10% of our total issued and outstanding Common Shares.

The number of Common Shares issued to any one participant under all of the Security Based Compensation Arrangements cannot exceed 10% of the total issued and outstanding Common Shares.

Blackout Period

The Omnibus Incentive Plan provides that the exercise or settlement period of awards granted thereunder shall automatically be extended if the date on which such award is scheduled to expire falls during a blackout period or within five business days following the expiry of such blackout period. In such cases, unless the delayed expiration would result in tax penalties, the award will expire 10 business days after the last day of the blackout period.

Options

All Options granted under the Omnibus Incentive Plan have an exercise price determined and approved by the Board at the time of grant, which exercise price is not less than the fair market value of our Common Shares on the grant date. Fair market value is defined as the volume weighted average of the prices at which the Common Shares were traded on the TSX for the five trading days immediately preceding the date of grant. If the participant is a U.S. taxpayer, the exercise price must not be less than the greater of (i) the fair market value on the date of grant; and (ii) the closing price of the Common Shares on the TSX on the business day immediately prior to the date of grant. Each Option vests as set forth in each participant's award agreement. Options are exercisable during a period established by the Board which shall not be more than 10 years from the grant of the Option. Vesting conditions for Options under the Omnibus Incentive Plan are determined by the Board at the time of grant. The Board has the right to accelerate the date upon which any portion of any Option becomes exercisable.

The Corporation may make arrangements through a broker approved by the Corporation whereby payment of the exercise price is accomplished through the proceeds of the sale of Common Shares deliverable upon exercise of the Option.

In lieu of exercising a vested Option, the participant may elect to surrender all or part of the Option for cancellation for an amount equal to the fair market value of the Common Shares on the date of surrender less the exercise price (the "**in-the-money amount**") and request that the in-the-money amount be satisfied in cash, in shares with an aggregate fair market value equal to the "in-the-money amount", or a combination of the two. Notwithstanding any election by the participant to receive cash, the Corporation may choose to issue Common Shares in satisfaction of the in-the-money amount. The full number of Common Shares underlying the surrendered Option will be added back to the reserve.

No Options were issued pursuant to the Omnibus Incentive Plan in 2021.

RSUs and PSUs

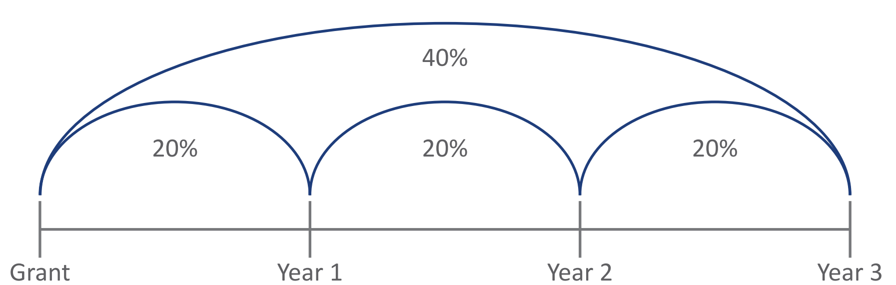
The Board is authorized to grant RSUs and PSUs evidencing the right to receive Common Shares (issued from treasury or acquired on the TSX) or cash (based on the market value of the Common Share on the payment date) or a combination thereof, at some future time to Eligible Individuals under the Omnibus Incentive Plan. The Corporation will determine whether the payment method will take the form of cash or Common Shares on the applicable vesting date, or some reasonable time prior thereto.

The terms and conditions of grants of RSUs and PSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, settlement date and other terms and conditions with respect to these awards are set out in the participant's award agreement.

RSUs generally become vested, if at all, following a period of continuous employment. Unless otherwise specified by the Board, RSUs vest and are payable as to one third (1/3) of the total number of RSUs granted (together with a proportionate number of dividend equivalents) on each of the first, second and third anniversaries of the grant date.

Vesting of PSUs generally occurs on the third anniversary of the grant date, and is conditioned on the attainment of specified performance metrics as may be determined by the Board, provided that the minimum performance multiplier is 0% and the maximum payout multiplier cannot exceed 200% (the "**Payout Multiplier**"). Generally, the performance metrics applicable to PSUs include Athabasca's total shareholder return ("**TSR**") and operational and corporate strategic measures in the Corporate Scorecard, which are set at the beginning of each performance period. The value of vested PSUs are generally based 50% on TSR for the particular period, compared to the Corporation's pay comparator group, and 50% based on its performance against the operational and corporate strategic measures for each performance period ("**Corporate Scorecard Result**"), with the weighting for each performance period as follows: 20% for year 1 ("**First Tranche**"); 20% for year 2 ("**Second Tranche**"); 20% for year 3 ("**Third Tranche**") and 40% for years 1-3 ("**Fourth Tranche**").

Performance Periods



Depending on the Corporation's TSR and Corporate Scorecard Result, the Corporation calculates the Payout Multiplier as follows:

- In the case of the Corporate Scorecard result, (i) if the result is 100%, the Payout Multiplier will be 100%; (ii) if the result is the maximum available assessment, the Payout Multiplier will be 200%; (iii) if the result is below 100%, the Payout Multiplier will be calculated using a linear sliding scale based on the endpoints of 0% and 100%; and (iv) if the result is above 100%, the Payout Multiplier will be calculated using a linear sliding scale based on endpoints of 100% and 200%. In no event will the Payout Multiplier exceed 200%.
- In the case of the TSR multiplier, if the Corporation's TSR compared to the TSR range for all peer companies during the relevant Performance Period is: (i) below the 25th percentile the Payout Multiplier will be 0%; (ii) equal to the 25th percentile the performance multiplier will be 50%; (iii) equal to the 50th percentile the Payout Multiplier will be 100%; and (iv) at or above the 75th percentile the Payout Multiplier will be 200%. If the Corporation's TSR compared to the TSR range for all peer companies during the particular period is above the 25th and below the 50th percentiles or above the 50th and below the 75th percentiles, the Payout Multiplier shall be calculated using a linear sliding scale based on the endpoints noted in (ii) and (iii) or between (iii) and (iv) above, respectively. In no event will the Payout Multiplier exceed 200%.

Subject to the achievement of the applicable vesting conditions, the payout of an RSU or PSU will generally occur on the settlement date. Each vested RSU and PSU (which PSUs will be subject to performance vesting conditions) entitles a holder to one Common Share or a cash payment equal to the fair market value of a Common Share, calculated using a five-day volume weighted trading price of the Common Shares. If the Board elects to settle RSUs or PSUs in cash, the payment will be made no later than December 31 of the third calendar year following the calendar year in which the services giving rise to the award were rendered.

The Board determined the expiry dates for grants of RSUs and PSUs, provided that unless otherwise determined on the date of grant by the Board, the expiry date ("**RSU Expiry Date**") is December 15th of the third year following the year in which the RSUs and PSUs, respectively, were granted. Notwithstanding the forgoing, no RSUs or PSUs will vest beyond the Expiry Date.

No PSUs were issued pursuant to the Omnibus Incentive Plan in 2021.

Other Security Based Awards

Each other security based award shall consist of a right (a) which is other than an Option, RSU or PSU; and (b) which is denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares) as are deemed by the Board to be consistent with the purposes of the Omnibus Incentive Plan; provided, however, such right will comply with applicable law (including applicable securities laws) and be subject to TSX approval (which may include the TSX requiring shareholder approval). Subject to the terms of the Omnibus Incentive Plan and applicable award agreement, the Board will determine the terms and conditions of the other security based awards. No other security based awards were issued pursuant to the Omnibus Incentive Plan in 2021.

Adjustments

In the event of any subdivision or consolidation of Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or any merger, arrangement or amalgamation or other transaction or reorganization involving the Corporation and occurring by exchange of Common Shares, by sale or lease of assets or otherwise, that does not constitute a change of control, the Board will, subject to the required approval of any stock exchange, determine and authorize the appropriate amendments or replacements of any existing awards and/or the terms of any award to be made in such circumstances in order to maintain proportionately the rights, value and obligations of the participants in respect of awards under the Omnibus Incentive Plan, including, without limitation, permitting the immediate vesting of any unvested awards.

Termination Events; Change of Control

The Omnibus Incentive Plan provides that certain events, including termination for cause, resignation, termination other than for cause, death or periods of absence, may trigger forfeiture or reduce the vesting period, where applicable, of the award, subject to the terms of the participant's award agreement.

Except as may be set forth in an employment agreement, or other written agreement between the Corporation or an affiliate of the Corporation and the participant, the Board may, without the consent of any participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding awards into or for, rights or other securities of substantially equivalent value, as determined by the Board in its discretion, in any entity participating in or resulting from a change in control; (ii) outstanding awards to vest and become exercisable, realizable, or payable in whole or in part prior to or upon consummation of such change in control, and, to the extent the Board determines, terminate upon or immediately prior to the effectiveness of such change in control; (iii) the termination of an award in exchange for an amount of cash and/or property, if any, equal in value to the amount that would have been attained upon the exercise of such award or realization of the participant's rights as of the date of the occurrence of such change in control (and, for the avoidance of doubt, if as of the date of the occurrence of such change in control the Board determines in good faith that no amount would have been attained upon the exercise of such award or realization of the participant's rights, then such award may be terminated by the Corporation without payment); (iv) the replacement of such award with other rights or property selected by the board in its sole discretion; or (v) any combination of the foregoing. In taking any of the foregoing actions, the Board is not required to treat all awards similarly.

If, within 12 months of a change of control, a participant's employment is terminated without cause, then all unvested awards will be vested immediately to the date of termination. If a participant's employment is terminated without cause, each option that has vested as of the termination date continues to be exercisable until the earlier of the expiration date of the option and 90 days after the termination date, each award other than an option held by the participant that has vested as of the termination date, will be settled in accordance with its terms and any option or other award that has not vested as of the termination date will be forfeited and cancelled as of the termination date. If an employee is terminated for cause, then unless otherwise specified in an award agreement, any option or other award held by the participant, whether or not it has vested, will be forfeited and cancelled as of the termination date.

Notwithstanding the foregoing, with respect to RSUs and PSUs, if a participant is provided notice in writing that the participant's employment or service to the Corporation will be terminated within thirty days of the date of a change of control, then such RSUs and PSUs will vest immediately. The number of PSUs that vest in this circumstance shall be adjusted as set out at "*Performance Plan — Change of Control*". If a participant continues to be employed by or provide services to the Corporation or its successor following a change of control, then the vesting of the RSUs and PSUs will not be accelerated as a result of the change of control and the award value of the RSUs and PSUs shall be determined and fixed as of the date of the change of control. With respect to RSUs, such RSUs will continue to vest in accordance with the terms of the applicable award agreement. With respect to PSUs, the right of the participant to receive the award value of the PSUs, fixed as of the date of the change of control, is contingent upon such participant remaining continuously employed by or providing services to the Corporation or its successor until the end of the vesting period. If such participant's employment or service ceases prior to the end of the vesting period, the right to receive such award value continues if the participant was not terminated for cause or by reason of resignation or retirement.

Amendments and Termination

Subject to the rules of the TSX, the Board may at any time or from time to time without shareholder approval amend, modify, change, suspend or terminate the Omnibus Incentive Plan or any awards granted pursuant to the Omnibus Incentive Plan as the Board, in its discretion determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Omnibus Incentive Plan or any awards granted thereunder materially impairs any rights of a participant or materially increases any obligations of a participant under the Omnibus Incentive Plan without the consent of the participant or subjects a U.S. taxpayer to additional penalty taxes, each as specified in the Omnibus Incentive Plan. Such permissible changes include, without limitation:

- any amendments to the general vesting provisions of each award;
- any amendments regarding the effect of termination of a participant's employment or engagement;
- any amendments to add covenants of the Corporation for the protection of participants, provided that the Board shall be of the good faith opinion that such additions will not be materially prejudicial to the rights or interests of the participants;
- any amendments not inconsistent with the Omnibus Incentive Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Board, having in mind the best interests of the participants it may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, provided that the Board shall be of the opinion that such amendments and modifications will not be materially prejudicial to the interests of the participants; and
- any such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Nonetheless, and subject to any additional requirements of the rules of the TSX, the following changes to the Omnibus Incentive Plan or the awards granted thereunder require the approval of the shareholders as well as the approval of the TSX:

- any amendment to increase the number of Common Shares reserved for issuance under the Omnibus Incentive Plan, except pursuant to provisions in the Omnibus Incentive Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- any amendment to increase the number of Common Shares issuable to any one participant;

- any amendment to remove or increase the insider participation limits;
- any amendment to reduce the exercise price of an award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions of the Omnibus Incentive Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- any amendment that extends the term of an award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within five business days following the expiry of such a blackout period);
- any amendment that permits awards to be transferred to a person other than a permitted assign or for normal estate settlement purposes; and
- any amendment that deletes or reduces the range of amendments to the Omnibus Incentive Plan which require shareholder approval.

Notwithstanding any other provision in the Omnibus Incentive Plan, the Board may, in its sole discretion, but subject to prior approval of the TSX, if applicable, waive any condition set out in the Omnibus Incentive Plan if it determines that specific individual circumstances warrant such waiver.

Except for permitted assigns or as otherwise permitted by the Board, awards granted under the Omnibus Incentive Plan generally are not transferable other than by will or the laws of descent and distribution.

We currently do not provide any financial assistance to participants under the Omnibus Incentive Plan.

PERFORMANCE PLAN

Purpose of the Performance Plan and Eligibility

The Performance Plan first came into effect on March 18, 2014. Since the adoption of the Omnibus Incentive Plan on March 29, 2021, the Corporation no longer grants Performance Awards pursuant to the Performance Plan. Further the Board determined that it would not seek approval for the unallocated awards at the annual meeting in 2020, accordingly, Performance Awards have not been granted since the annual meeting in 2020.

The principal purposes of the Performance Plan was to: (i) attract, retain and motivate the officers, employees and other eligible service providers of the Corporation ("**Service Provider**"), its subsidiaries and any entity designated by the Board from time to time a member of the Athabasca Group (collectively, the "**Athabasca Group**") in the growth and development of Athabasca by providing them with the opportunity to acquire an increased proprietary interest in the Corporation; (ii) more closely align their interests with those of the Corporation's shareholders; (iii) focus Service Providers on operating and financial performance and long-term shareholder value; and (iv) motivate and reward them for their performance and contributions to the Corporation's long-term success. The Performance Plan is administered by the Board or a committee of the Board and the Board is entitled to determine the individuals to whom Performance Awards may be awarded. Directors who are not officers or employees of the Athabasca Group are not eligible to receive grants of Performance Awards.

Limitations under the Performance Plan

See "*General Limitations Applicable to All LTI Plans*" above.

As at December 31, 2021, there were 6,450,700 Common Shares reserved for issuance upon vesting of Performance Awards outstanding under the Performance Plan, representing approximately 1.2% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2021, a total of 135,600 Common Shares were issued in relation to outstanding units under this plan upon settlement of Performance Awards, representing 0.03% of the number of issued and outstanding Common Shares as at December 31, 2021.

Grant of Performance Awards and Assignability

Pursuant to the Performance Plan, the Board was able to grant Performance Awards on such terms and conditions as it determined, including, but not limited to, the applicable performance measures to be taken into consideration and their weighting in granting Performance Awards ("**Performance Measures**"), the Payout Multiplier that shall apply to the Performance Award, if any, and any acceleration or waiver of termination or forfeiture regarding any Performance Award. Performance Awards are not assignable. Pursuant to TSX policies, unallocated awards under the Performance Plan must be approved by shareholders every three years. The Board determined that it would not seek approval for the unallocated awards at the annual meeting in 2020, accordingly, Performance Awards have not been granted since the annual meeting in 2020.

Performance Measures

The Performance Measure applicable to Performance Awards include Athabasca's TSR and operational and corporate strategic measures in the Corporate Scorecard, which are set at the beginning of each performance period. The value of vested Performance Awards are based 50% on TSR for the particular period, compared to the Corporation's pay comparator group, and 50% based on its performance against the Corporate Scorecard Result, with the weighting for each performance period as follows: 20% for year 1; 20% for year 2; 20% for year 3; and 40% for years 1-3.

Under the Performance Plan, depending on the Corporation's TSR and Corporate Scorecard Result, a Payout Multiplier is applied of between 0% and 200%. Such Payout Multiplier is calculated as set out above at "*Omnibus Incentive Plan – RSUs and PSUs*".

The value of a Performance Award (the "**Award Value**") is an amount equal to the number of Performance Awards, multiplied by the Fair Market Value (as defined in the Performance Plan) of the Common Shares, and shall be determined by the Board as of the applicable vesting date ("**Vesting Date**"). The Vesting Date is April 1 of the third year following the year in which the Performance Award was granted.

Expiry Date

The Board determined the expiry dates for each Performance Award, provided that unless otherwise determined on the date of grant by the Board, the expiry date ("**Expiry Date**") is December 15th of the third year following the year in which the Performance Award was granted. Notwithstanding the foregoing, no Performance Award will vest beyond the Expiry Date.

Settlement of Performance Awards

Performance Awards may be settled by one or a combination of the following: (i) payment in cash; (ii) payment in Common Shares acquired by the Corporation on the TSX; or (iii) payment in Common Shares issued from the treasury of the Corporation. A holder of Performance Awards has no right to demand, or receive Common Shares for any portion of the Award Value.

If a Vesting Date occurs during a period of time when, pursuant to the policies of Athabasca, any securities of Athabasca may not be traded by that holder ("**Black-Out Period**"), then the Vesting Date shall be extended to a date that is within seven business days following the end of the Black-Out Period. If any such extension would cause the Vesting Date to extend beyond the Expiry Date while a Black-Out Period is still in effect, then the Corporation must pay the holder the entire Award Value in cash (and not Common Shares) and the Corporation will not have any right to pay the Award Value in whole or in part in Common Shares.

Dividends

The Performance Plan provides for an adjustment to the number of Common Shares to be issued pursuant to Performance Awards for dividends paid on the Common Shares during the term of the Performance Awards.

Change of Control

Pursuant to the Performance Plan, if there is a "Change of Control" of the Corporation (as defined below) then, subject to any provision to the contrary contained in a Performance Award Agreement, all Common Shares awarded pursuant to any Performance Award that have not yet vested and been issued will vest on the date which is immediately prior to the time a Change of Control is completed.

For the purposes of the Performance Plan, 2015 RSU Plan and Option Plan, a "**Change of Control**" means: (i) a successful takeover bid; or (ii) (A) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in: (I) a person or group of persons "acting jointly or in concert" (within the meaning of Multilateral Instrument 62-104); or (II) an affiliate or associate of such person or group of persons, holding, owning or controlling, directly or indirectly, more than 50% of the outstanding voting securities or interests of the Corporation; and (B) members of the Board who are members of the Board immediately prior to the earlier of such change and the first public announcement of such change cease to constitute a majority of the Board at any time within sixty days of such change; or (iii) incumbent directors no longer constituting a majority of the Board; or (iv) the winding up of the Corporation or the sale, lease or transfer of all or substantially all of the assets to any other person or persons (other than pursuant to an internal reorganization or in circumstances where the business of the Corporation is continued and where the shareholdings or other securityholdings, as the case may be, in the continuing entity and the constitution of the board of directors or similar body of the continuing entity is such that the transaction would not be considered a "Change of Control" if paragraph (ii) above was applicable to the transaction); or (v) any determination by a majority of the Board that a Change of Control has occurred or is about to occur and any such determination shall be binding and conclusive for all purposes of the Option Plan.

Notwithstanding the foregoing, in order to assist the Corporation with the retention of employees if there is a Change of Control, the Performance Award Agreements entered into by the Corporation and its Service Providers during the years ended December 31, 2019 and 2020, include the following provisions (the "**PSU Change of Control Provisions**"):

(a) if a Service Provider is provided notice in writing (a "**Service Provider Termination Notice**") that the Service Provider's employment or service to the Corporation will be terminated within thirty days of the date of a Change of Control ("**Change of Control Date**"), then:

  (i) the Vesting Date of the Performance Awards granted pursuant to the applicable Performance Award Agreement is the date which is immediately prior to the Change of Control Date, or on such earlier date as may be established by the Board in its absolute discretion, prior to the Change of Control Date (the "**Change of Control Vesting Date**"); and

  (ii) the number of Performance Awards which vest shall be determined in accordance with the Vesting Provisions, subject to the following adjustments: (A) if the Change of Control Date occurs on or before December 31, 2019 in the case of 2019 Performance Awards, or December 21, 2020 in the case of 2020 Performance Awards, then the First Tranche Awards shall be deemed to be 100% of the Performance Awards and the Second Tranche Awards, Third Tranche Awards and Fourth Tranche Awards shall be deemed to be nil% of the Performance Awards; (B) if the Change of Control Date occurs after December 31, 2019 and on or before December 31, 2020 in the case of 2019 Performance Awards, or after December 31, 2020 and on or before December 31, 2021, in the case of 2020 Performance Awards, then the First Tranche Awards shall be deemed to be 50% of the Performance Awards, the Second Tranche Awards shall be deemed to be 50% of the Performance Awards, and the Third Tranche Awards and Fourth Tranche Awards shall be deemed to be nil% of the Performance Awards; and (C) if the Change of Control Date occurs after December 31, 2020 and on or before December 31, 2021, in the case of 2019 Performance Awards, or after December 31, 2021 and on or before December 31, 2022, in the case of 2020 Performance Awards, then the First Tranche Awards shall be deemed to be 33 1/3% of the Performance Awards, the Second Tranche Awards shall be deemed to be 33 1/3% of the Performance Awards, the Third Tranche Awards shall be deemed to be 33 1/3% of the Performance Awards, and the Fourth Tranche Awards shall be deemed to be nil% of the Performance Awards; and for purposes of calculating the TSR for the Corporation for any Performance Period that has not been completed as at the Change of Control Date the trading price of the Common Shares at the end of such Period shall be deemed to be equal to the price received per Common Share pursuant to the Change of Control (being in the case of consideration other than cash, the fair market value thereof as determined by the Board); and

(iii) the Award Value of the Performance Awards that so vest (the "**Change of Control Award Value**") shall be determined as at the Change of Control Vesting Date.

(b) If the Service Provider is not provided with a Service Provider Termination Notice, then the Service Provider is contingently entitled to the Change of Control Award Value (the "**Contingent Change of Control Award Value**") subject to the following:

(i) provided the Service Provider has remained in the continuous employ or service of one or more members of the Athabasca Group from the Change of Control Date until April 1, 2022 in the case of 2019 Performance Awards, or until April 1, 2023 in the case of 2020 Performance Awards, the Contingent Change of Control Award Value, less any required withholdings, shall be paid to the Grantee within five business days of April 1, 2022 in the case of 2019 Performance Awards, or April 1, 2023 in the case of 2020 Performance Awards;

(ii) if the grantee ceases to be a Service Provider of, or consultant to, any of the entities comprising the Athabasca Group prior to April 1, 2022 in the case of 2019 Performance Awards, or April 1, 2023 in the case of 2020 Performance Awards, by reason of termination of Service Provider's employment or service for cause or by reason of the resignation or retirement of the Service Provider, the Service Provider's right to receive the Contingent Change of Control Award Value shall terminate and become null and void on the date of the cessation of the grantee's employment or service and the Service Provider shall not be entitled to any further payment hereunder; and

(iii) if the Service Provider ceases to be a Service Provider of, or consultant to, any of the entities comprising the Athabasca Group prior to April 1, 2022 in the case of 2019 Performance Awards, or April 1, 2023 in the case of 2020 Performance Awards, by reason of termination of the Service Provider's employment for any reason other than as described above including, without limitation, by reason of the death of the Service Provider or the termination of the Service Provider's employment other than for cause, the Contingent Change of Control Award Value, less any required withholdings, shall be paid to the grantee within five business days of the cessation of employment or service.

The Performance Plan provides that unless otherwise determined by the Compensation and Governance Committee or unless otherwise provided in a Performance Award agreement pertaining to a particular grant or any other written agreement, including an employment agreement, if a holder of a Performance Award ceases to be a Service Provider for any reason before all of such holder's Performance Awards have vested, then all such unvested Performance Awards are forfeited and any Award Value corresponding to any vested Performance Awards remaining unpaid will be paid to the former participant in accordance with the Performance Plan.

Notwithstanding the preceding paragraph if a participant dies, any unvested Performance Awards shall be deemed to have vested immediately prior to the date of death of the participant with the result that the deceased participant shall not forfeit any unvested Performance Awards.

Anti-Dilution

The Performance Plan contains anti-dilution provisions which allow the committee to make such adjustments to the Performance Plan, to any Performance Awards and to any Performance Award agreements outstanding under the Performance Plan as the committee may consider appropriate in the circumstances to prevent substantial dilution or enlargement of amounts to be paid to participants under the Performance Plan.

Amendments

The Board has the right to amend or discontinue the Performance Plan or amend any Performance Award without shareholder approval or the consent of a holder of a Performance Award, provided that such amendment does not adversely alter or impair any Performance Award previously granted under the Performance Plan or any related Performance Award Agreement, except as otherwise permitted under the Performance Plan; however, the Board may not amend the Performance Plan or any Performance Award granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the Performance Plan; (ii) to cancel a Performance Award and subsequently issue the holder of such Performance Award a new Performance Award in replacement thereof; (iii) to extend the term of a Performance Award; (iv) to permit the assignment or transfer of a Performance Award other than as provided for in the Performance Plan; (v) to add to the categories of persons eligible to participate in the Performance Plan; (vi) to remove or amend the limitations contained in the Performance Plan; or (vii) to remove or amend the amendment provisions of the Performance Plan.

2015 RSU PLAN

On March 11, 2015, upon the recommendation of the Compensation and Governance Committee, the Board approved the 2015 RSU Plan and determined that the Corporation would not make any further grants of RSUs under the Corporation's previous RSU Plan. All grants of RSUs granted between March 11, 2015 and March 29, 2021, the date on which the Corporation adopted the Omnibus Incentive Plan, are 2015 RSUs issued pursuant to the 2015 RSU Plan. Since the adoption of the Omnibus Incentive Plan, the Corporation no longer grants 2015 RSUs pursuant to the 2015 RSU Plan. Each 2015 RSU is a unit that is equivalent in value to a Common Share and that upon vesting will be automatically settled by the Corporation in accordance with the 2015 RSU Plan.

Purpose of the 2015 RSU Plan and Eligibility

The purposes of the 2015 RSU Plan was to: (i) attract, retain and motivate the officers, employees and other eligible Service Providers of the Athabasca Group towards the growth and development of the Athabasca Group by providing them with the opportunity to acquire an increased proprietary interest in the Corporation; (ii) more closely align their interests with those of the Corporation's shareholders; (iii) focus Service Providers on operating and financial performance and long-term shareholder value; and (iv) motivate and reward them for their performance and contributions to the Corporation's long-term success.

The 2015 RSU Plan is administered by the Board. To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board, all or any of the powers conferred on the Board under the 2015 RSU Plan. The Board has the authority to determine the individuals to whom 2015 RSUs may be awarded. However, since the adoption of the Omnibus Incentive Plan on March 29, 2021, the Corporation no longer awards 2015 RSUs pursuant to the 2015 RSU Plan.

Limitations on Issuances under the 2015 RSU Plan

See "*General Limitations Applicable to All LTI Plans*" above.

As at December 31, 2021, there were 17,431,129 Common Shares reserved for issuance upon vesting of 2015 RSUs outstanding under the 2015 RSU Plan, representing approximately 3.3% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2021, no Common Shares were issued upon settlement of 2015 RSUs, representing 0% of the number of issued and outstanding Common Shares as at December 31, 2021.

Vesting, Assignability and Expiry

The Board determined the vesting of the 2015 RSUs at the time of grant, and in the absence of any determination by the Board (or the committee) to the contrary, 2015 RSUs vest and are payable as to one-third of the total number of 2015 RSUs granted on each of the first, second and third anniversaries of the grant date (if settled in Common Shares, computed in each case to the nearest whole Common Share), provided that no 2015 RSU, or portion thereof, may vest after the RSU Expiry Date (as defined below). Notwithstanding the foregoing, the Board may, at any time or in the 2015 RSU agreement in respect of any 2015 RSUs granted, accelerate or provide for the acceleration of vesting in whole or in part of 2015 RSUs previously granted.

2015 RSUs are not transferable or assignable.

The Board determined the expiry dates for grants of 2015 RSUs, provided that unless otherwise determined on the date of grant by the Board, the expiry date ("**RSU Expiry Date**") is December 15th of the third year following the year in which the 2015 RSUs were granted. Notwithstanding the forgoing, no 2015 RSU will vest beyond the Expiry Date.

Settlement of 2015 RSUs

2015 RSUs may be settled by any one or combination of the following methods: (i) payment in cash; (ii) payment in Common Shares acquired by the Corporation on the TSX; or (iii) payment in Common Shares issued from the treasury of the Corporation. A holder of 2015 RSUs has no right to demand or receive Common Shares as settlement for the 2015 RSUs or any portion thereof, in Common Shares.

Black-Out Periods

If the vesting date of a 2015 RSU occurs during a Black-Out Period, then the RSU Vesting Date shall be extended to a date which is within seven business days following the end of such Black-Out Period. If any such extension would cause the RSU Vesting Date to extend beyond the Expiry Date and while a Black-Out Period is still in effect, then the Corporation must settle the applicable 2015 RSUs in cash and the Corporation will not have any right to settle the 2015 RSUs in whole or in part in Common Shares.

Dividends

The 2015 RSU Plan provides for an adjustment to the number of Common Shares to be issued pursuant to 2015 RSUs for any dividends that are paid on the Common Shares during the term of the 2015 RSUs. Upon vesting of any 2015 RSUs, the Common Shares issuable pursuant to such 2015 RSUs will reflect any adjustments for dividends.

Change of Control

If there is a Change of Control then, subject to any provision to the contrary contained in a 2015 RSU agreement, all Common Shares awarded pursuant to any 2015 RSUs that have not yet vested and been issued will vest on the date that is immediately prior to the time such Change of Control takes place, or at such earlier time as may be established by the Board or the Compensation and Governance Committee, in its absolute discretion, prior to the time such Change of Control takes place.

Notwithstanding the foregoing, in order to assist the Corporation with the retention of employees if there is a Change of Control, the form of RSU agreement entered into by the Corporation and its Service Providers, including those entered during the years ended December 31, 2019 and 2020 (the "**2015 RSU Agreements**"), contain the following provisions:

(a) If a participant is provided notice in writing (a "**Participant Termination Notice**") that the participant's employment or service to the Corporation will be terminated within thirty days of the date of a Change of Control, then the 2015 RSUs granted pursuant to an applicable 2015 RSU Agreement will vest immediately and will be terminated on the 90th day after the occurrence of the Change of Control or such earlier time as may be established by the Board prior to the Change of Control.

(b) However, if a participant is not provided with a Participant Termination Notice and the participant will continue to be employed by the Corporation or its successor following the Change of Control, then the vesting of the 2015 RSUs granted pursuant to an applicable 2015 RSU Agreement will not be accelerated as a result of a Change of Control, but shall continue to vest in accordance with the terms of the applicable 2015 RSU Agreement, provided that: (i) the award value of the 2015 RSUs shall be determined and fixed as of the date of the Change of Control; and (ii) shall be payable upon vesting in cash only.

Additional 2015 RSU Plan Terms

The 2015 RSU Plan provides that unless otherwise determined by the Board or unless otherwise provided in a 2015 RSU Agreement pertaining to a particular grant or any other written agreement, including an employment agreement, if a holder of 2015 RSUs ceases to be Service Provider to the Athabasca Group for any reason other than death, before all of such holder's 2015 RSUs have vested, then all such unvested 2015 RSUs shall be forfeited and any amount corresponding to any vested 2015 RSUs remaining unpaid will be paid to the former Service Provider in accordance with the 2015 RSU Plan.

Notwithstanding the preceding paragraph or anything else contained in the 2015 RSU Plan to the contrary, unless otherwise determined by the Board, or unless the Corporation and a participant agree otherwise in a 2015 RSU agreement or other written agreement (including an employment agreement), if a participant ceases to be a director, officer of or be in the employ of, or a consultant or other Service Provider to the Athabasca Group due to the death of the participant, any unvested 2015 RSUs shall be deemed to have vested immediately prior to the date of death of the participant with the result that the deceased participant shall not forfeit any unvested 2015 RSUs.

Anti-Dilution

The 2015 RSU Plan contains anti-dilution provisions which allow the Board to make such adjustments to the 2015 RSU Plan, to any 2015 RSUs and to any 2015 RSU agreements outstanding under the 2015 RSU Plan as the Board may consider appropriate in the circumstances to prevent substantial dilution or enlargement of amounts to be paid to participants under the 2015 RSU Plan.

Amendments

The Board has the right to amend or discontinue the 2015 RSU Plan or amend any 2015 RSUs granted under the 2015 RSU Plan without shareholder approval or the consent of a holder of 2015 RSUs, provided that such amendment does not adversely alter or impair any 2015 RSUs previously granted under the 2015 RSU Plan or any related 2015 RSU Agreement, except as otherwise permitted under the 2015 RSU Plan; however, while the

Common Shares are listed for trading on the TSX, the Board will not be entitled to amend the 2015 RSU Plan or any 2015 RSUs granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the 2015 RSU Plan; (ii) to cancel 2015 RSUs and subsequently issue the holder of such 2015 RSUs a new grant of 2015 RSUs in replacement thereof; (iii) to extend the term of 2015 RSUs; (iv) to permit the assignment or transfer of 2015 RSUs, other than as provided for in the 2015 RSU Plan; (v) to add to the categories of persons eligible to participate in the 2015 RSU Plan; (vi) to remove or amend the limitations contained in the 2015 RSU Plan; or (vii) to remove or amend the amendment provisions of the 2015 RSU Plan.

STOCK OPTION PLAN (the "Option Plan")

Purpose of the Option Plan and Eligibility

The Option Plan first came into effect on September 1, 2009. The Corporation's Option Plan permits the granting of Options to purchase Common Shares to directors, officers, employees, consultants and other service providers ("**Optionees**") of the Athabasca Group. The purpose of the Option Plan was to aid in attracting, retaining, and motivating eligible service providers in the growth and development of the Athabasca Group by providing them with an opportunity to acquire an increased proprietary interest in the Corporation. The Option Plan is administered by the Board or a committee of the Board appointed by the Board to administer the Option Plan. Since the adoption of the Omnibus Incentive Plan on March 29, 2021, the Corporation no longer grants Options pursuant to the Option Plan.

Limitations under the Option Plan

See "*General Limitations Applicable to All LTI Plans*" above.

As at December 31, 2021, there were 6,470,033 Common Shares issuable upon exercise of Options outstanding under the Option Plan, representing approximately 1.2% of the number of current issued and outstanding Common Shares. During the financial year ended December 31, 2021, a total number of 33,600 Common Shares were issued upon exercise of Options, representing 0.01% of the number of issued and outstanding Common Shares as at December 31, 2021.

Grants of Options and Assignability

At the time of grant, the Board determined the exercise price of an Option granted pursuant to the Option Plan, which exercise price was not less than the five-day volume weighted average trading price of the Common Shares on the TSX immediately preceding the date of grant.

Options granted under the Option Plan are not assignable.

Term, Vesting and Exercise of Options

Options granted pursuant to the Option Plan prior to May 8, 2014 have a term not exceeding five years and Options granted after May 8, 2014 have a term not exceeding seven years. Options vest and are exercisable as to one-quarter on each of the first, second, third and fourth anniversaries of the grant date, unless otherwise determined by the Board.

If Options cannot be exercised due to a Black-Out Period at any time within the three business day period prior to the normal expiry date of the Options, the expiry date of those Options will be extended by seven business days following the end of the Black-Out Period (or such longer period as is permitted by the TSX or such stock exchange on which the Common Shares may be listed).

Termination

Unless the Corporation and Optionee agree otherwise in an option agreement or other written agreement (such as an employment agreement), each Option will terminate:

(a) if an Optionee dies, on the date that is determined by the Board, which cannot be more than twelve months from the date of death and, in the absence of a determination to the contrary, on the date that is twelve months from the date of death;

(b) if the Optionee ceases to be a service provider to the Athabasca Group (other than by reason of death or termination for cause), on the expiry of the period not in excess of six months or as prescribed by the Option Committee at the time of the grant, following the date that the Optionee ceases to be a service provider to the Athabasca Group and, in the absence of any determination to the contrary, ninety days following the date that the Optionee ceases to be a service provider to any of the entities comprising the Athabasca Group; and

(c) if the Optionee is terminated for cause, immediately on the date of such termination (whether notice of such termination occurs verbally or in writing).

The number of Common Shares that an Optionee (or his or her heirs or successors) will be entitled to purchase until such date of termination is: (i) in the case of the death of an Optionee, all of the Common Shares that may be acquired on exercise of the Options held by such Optionee (or his or her heirs or successors) whether or not previously vested, and the vesting of all such Options shall be accelerated on the date of death for such purpose; and (ii) in any case other than death or termination for cause, the number of Common Shares which the Optionee was entitled to purchase on the date the Optionee ceased to be a service provider.

Surrender Offer

The Option Plan provides that an Optionee may make an offer at any time for the disposition and surrender by the Optionee to Athabasca of any Option (a "**Surrender Offer**"), for an amount not to exceed the five-day volume weighted average trading price of the Common Shares on the TSX (or such other stock exchange on which the Common Shares may be listed) on the date of the Surrender Offer less the exercise price of the Options that are specified in the Surrender Offer. The Corporation may accept or reject a Surrender Offer, in its sole discretion.

Change of Control

The Option Plan provides that, subject to any provision to the contrary contained in an option agreement or other written agreement (such as an employment agreement) between the Corporation and an Optionee, if there is a Change of Control, all issued and outstanding Options will be exercisable (whether or not then vested) immediately prior to the time such Change of Control takes place and will terminate on the 90th day after the Change of Control occurs, or at such earlier time as may be established by the Board, in its absolute discretion, prior to the Change of Control.

Revised Option Change of Control Terms

If an Optionee is provided with a notice in writing by the Corporation that the Optionee's employment or service with the Corporation will be terminated within thirty days of the date of a Change of Control (an "**Optionee Termination Notice**"), then the Options will vest immediately and will be terminated on the 90th day after the Change of Control or such earlier time as may be established by the Board prior to the time that the Change of Control takes place.

If an Optionee is not provided with an Optionee Termination Notice and will continue to be employed by the Corporation or its successor following the Change of Control, then the vesting of the Options will not be accelerated as a result of a Change of Control. Instead, such Optionee's unvested, unexercised Options will terminate at the time that is the first to occur of: (i) the Change of Control; (ii) the expiration date of the Options; or (iii) the earlier termination of the Options in connection with the cessation of the Optionee's service to the Athabasca Group. In this event, any applicable Option Cash Bonus Agreement (as defined below) between Athabasca and an Optionee will become effective, as described below (the revisions described in this paragraph are referred to herein as the "**Revised Change of Control Provisions**").

Option Cash Bonus Agreements

Optionees (including NEOs) have also entered into cash bonus agreements ("**Option Cash Bonus Agreements**") with the Corporation which provide the Optionees with the right to receive cash amounts (an "**Option Cash Bonus**") if they are not provided with an Optionee Termination Notice and they continue to be a Service Provider to the Athabasca Group following a Change of Control. Pursuant to the Option Cash Bonus Agreements, if an Optionee remains in the continuous employ or service of the Athabasca Group from the date of a Change of Control until a vesting date that is set out in the applicable Option agreement (an "**Option Bonus Vesting Date**"), then an Option Cash Bonus (calculated in accordance with the formula that is set forth below) divided by the number of Option Bonus Vesting Dates described in the applicable Option agreement, shall be paid by the Corporation to the Optionee on each such Bonus Vesting Date:

(A x B) + C where:

(i) "A" equals the number of Options that had not vested as at the date of the termination of the Options pursuant to the Revised Change of Control Provisions ("**Unvested Options**");

(ii) "B" equals the difference, if positive, between the consideration per Common Share received by the holders of Common Shares pursuant to the transaction that constitutes a Change of Control and the exercise price per Unvested Option that is provided in the applicable Option agreement;

(iii) "C" equals [(AxB)/2] x Marginal Tax Rate

1—Marginal Tax Rate;

(iv) "Marginal Tax Rate" means the ordinary rate of income tax charged on the Optionee's last dollar of income.

Additionally, pursuant to the Option Cash Bonus Agreements, if an Optionee remains in the continuous employ or service of the Athabasca Group from the date of a Change of Control until either the second or third anniversary of the date of the Change of Control (depending on which period is specified in the applicable Option Cash Bonus Agreement), any remaining Option Cash Bonus which has not previously been paid to the Optionee in accordance with the above shall be accelerated and paid to such Optionee on the second or third anniversary of the date of the Change of Control (again, depending on which period is specified in the applicable Option Cash Bonus Agreement).

Anti-Dilution

The Option Plan contains anti-dilution provisions which allow the Board to make adjustments to the Option Plan and to Options granted under the Option Plan that the Board deems appropriate to prevent substantial dilution or enlargement of rights granted to Optionees. The Board may make the aforementioned adjustments in the event of: (i) any change in the Common Shares of the Corporation through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) a grant of rights to holders of Common Shares to purchase Common Shares at prices substantially below fair market value; or (iii) any recapitalization, merger, consolidation or otherwise, the Common Shares are converted into or exchangeable for any other securities or property, and an Optionee will be bound by such adjustments.

If the Corporation fixes a record date for a distribution to all or substantially all the holders of the Common Shares of cash or other assets (other than a dividend in the ordinary course of business), the Board may make adjustments to the exercise price of any Options outstanding on the record date for such distribution, and make such amendments to any option agreements outstanding under the Option Plan to give effect thereto as the Board considers to be appropriate in the circumstances.

Amendments

The Board may amend or discontinue the Option Plan at any time without shareholder approval or the consent of an Optionee, provided that such amendment does not adversely alter or impair any Option previously granted under the Option Plan or any related option agreement, except as otherwise permitted by the Option Plan; however, the Board may not amend the Option Plan or any Option granted under it without shareholder and, if applicable, TSX approval: (i) to increase the maximum number of Common Shares issuable pursuant to the Option Plan; (ii) to reduce the exercise price of an Option or cancel an Option and subsequently issue the holder of such Option a new Option in replacement thereof; (iii) to extend the term of an Option; (iv) to permit the assignment or transfer of an Option other than as provided for in the Option Plan; (v) to add to the categories of persons eligible to participate in the Option Plan; (vi) to make any amendment to increase the maximum limits on the number of securities that may be issued to insiders (as defined by the TSX for this purpose); (vii) to make any amendment to increase the maximum number of Common Shares issuable on exercise of Options to directors who are not officers or employees of the Corporation; or (viii) to remove or amend the restrictions on amendments that are provided in the Option Plan.

DEFERRED SHARE UNIT PLAN

General

Effective March 11, 2015, upon the recommendation of the Compensation and Governance Committee, the Board approved the adoption of a new DSU Plan for directors of the Corporation. Pursuant to the DSU Plan, members of the Board (“**Participants**”) may be granted and/or or elect to receive, as applicable, DSUs of the Corporation, being a right to a cash payment on a deferred basis equivalent to the Fair Market Value (as defined below) of a Common Share on the terms contained in the DSU Plan summarized below.

Purpose of the DSU Plan

The purposes of the DSU Plan are to: (i) promote greater alignment of the interests between the directors of the Corporation and its shareholders by providing a means to accumulate a financial interest in the Corporation that corresponds to the risk, responsibility and commitment of directors; (ii) support compensation that is competitive and rewards long-term success of the Corporation as measured in TSR; and (iii) attract and retain qualified individuals with the experience and ability to serve as directors.

Administration of the DSU Plan

The DSU Plan is administered by the Compensation and Governance Committee, or such other committee of the Board as may be appointed by the Board. If a committee is not appointed by the Board to administer the DSU Plan, the references to the Compensation and Governance Committee in the following summary of the DSU Plan, are deemed to be references to the Board.

Grants of Deferred Share Units

Subject to the DSU Plan, the Compensation and Governance Committee will determine the number of DSUs to be granted to each Participant for each year, and the date that the grant becomes effective. In certain cases where a Participant becomes a member of the Board after DSUs have been granted to other Board members for that year, DSUs may be granted as of the date of appointment as a member of the Board and in such amount as determined by the Compensation and Governance Committee. The Compensation and Governance Committee may also determine from time to time that special circumstances justify a grant to a Participant of DSUs in addition to other compensation to which the Participant is entitled and determine to approve a grant of DSUs to the Participant.

The DSU Plan also allows the Compensation and Governance Committee to grant DSUs to a director, who is not also a full time employee of the Corporation or a subsidiary of the Corporation (“**Athabasca Entity**”), who has elected to receive all or part of their annual remuneration (the “**Deferred Remuneration**”) in the form of DSUs. Such annual remuneration includes all cash amounts payable by the Corporation to a Participant in any year for service as a Board member including, without limitation, the annual base retainer fee for serving as a Board member, the annual retainer fee for the Chairman of the Board, the annual retainer fee for serving as a member of a Board committee, the annual retainer fee for chairing a Board committee, and the fees, if any, for attending meetings of the Board or Board committees. Such annual remuneration does not include amounts received by a director as reimbursement for expenses incurred in attending meetings of the Board or a Board committee.

Upon a grant of DSUs, the Corporation will credit DSUs to the Participant's account on the date determined by the Committee in respect of an annual grant of DSUs, on the date determined by the Board in respect of a discretionary grant, and/or on the date the Participant's annual remuneration would otherwise be payable, as applicable. The number of DSUs (including fractional DSUs) to be credited to a Participant's account will be determined by dividing the amount of the Participant's Deferred Remuneration by the Fair Market Value per Common Share on the date the DSUs are credited to the Participant's account.

For the purpose of the DSU Plan, "**Fair Market Value**" means the volume weighted average trading price of the Common Shares on the TSX for the 20 trading days immediately preceding the day on which the Fair Market Value is to be determined. For this purpose, the weighted average trading price shall be calculated by dividing the total value by the total volume of Common Shares traded for such period.

Dividends

If dividends are paid on the Common Shares before the maturity date of the DSUs, such dividends will be credited as DSUs to the Participant's account as of the dividend payment date. The number of DSUs credited to the Participant's account will be determined by dividing the aggregate dollar amount of the dividends notionally payable in respect of such number of Common Shares equal to the number of DSUs in the Participant's account, divided by the Fair Market Value per Common Share as of the dividend payment date.

Vesting and Assignability

DSUs will vest immediately upon being credited to the Participant's account and are not transferable or assignable other than by will or the laws of descent and distribution.

Redemption of DSUs

Following the date on which the Participant ceases to hold all positions with an Athabasca Entity (and where the Participant is a US taxpayer, the date on which a separation from service with the Corporation takes place) (the "**Termination Date**"), and except as a result of death, all DSUs credited to the Participant's account will be redeemed as of the maturity date. The maturity date for directors who are US taxpayers will be the Termination Date. For directors who are not US taxpayers, the maturity date will be December 1st of the calendar year immediately following the year of the Termination Date, unless a director files with the Corporation an irrevocable maturity date acceleration election subsequent to the Termination Date electing an earlier maturity date. Such accelerated maturity date elected by a director may not: (i) be later than December 1st of the calendar year immediately following the year in which the Termination Date falls; (ii) precede the date of the election; or (iii) except in the case of a director who resigns pursuant to the Corporation's "majority voting" or similar policy in force from time to time, who otherwise fails to be elected as a director at any meeting of shareholders after having been included as a nominee in the Corporation's management information circular for such meeting or who is removed from office by a vote of shareholders, be earlier than the 180th day following the Termination Date.

Following the maturity date, the Corporation makes a lump sum cash payment, net of any applicable withholdings, to the Participant equal to the number of DSUs credited to the Participant's account as of the Termination Date multiplied by the Fair Market Value per Common Share determined as at the maturity date.

Upon redemption of DSUs, Participants have no further rights respecting any DSUs that have been redeemed and the DSUs are deemed cancelled.

Death of Participant

If a Participant dies while in office, or after ceasing to hold any position with an Athabasca Entity but before the maturity date, the Corporation will make a lump sum cash payment to the Participant's legal representative within 90 days of the Participant's death. The lump sum cash payment will be equal to the number of DSUs in the Participant's account as of the date of the Participant's death, multiplied by the Fair Market Value of the Common Shares determined at the date of death, net of any applicable withholdings.

Amendments

The Compensation and Governance Committee may amend, suspend or terminate the DSU Plan or any portion thereof at any time in accordance with applicable legislation, and subject to any required regulatory or shareholder approval; provided that no amendment, suspension or termination may materially adversely affect any DSUs, or any rights pursuant thereto, granted previously to any Participant without the consent of that Participant. Notwithstanding the foregoing, any amendment of the DSU Plan must ensure that the DSU Plan is continuously excluded from the salary deferral arrangement rules under the *Income Tax Act* (Canada) or any successor rules, and comply with any guidance issued under U.S. Internal Revenue Code of 1986, as amended, section 409A as applicable to Participants who are taxpayers of the United States of America.

With the consent of the Participant affected thereby, the Compensation and Governance Committee may amend or modify any outstanding DSU in any manner to the extent that the Compensation and Governance Committee would have had the authority to initially grant the award as so modified or amended, provided that any such amendment complies with any guidance issued under U.S. Internal Revenue Code of 1986, as amended, section 409A as applicable to Participants who are taxpayers of the United States of America.

Appendix B

ATHABASCA OIL CORPORATION
BOARD OF DIRECTORS MANDATE

GENERAL

The board of directors (**Board**) of Athabasca Oil Corporation (**Company**) is responsible for managing or supervising the management of the business and affairs of the Company. In the discharge of this responsibility, the Board is responsible for appointing the executive officers (**Executive Officers**) who are responsible for the day-to-day management of the business and affairs of the Company within the strategic direction approved by the Board.

In discharging their duties, the directors shall: (a) act honestly and in good faith with a view to the best interests of the Company; (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and (c) comply with the *Business Corporations Act* (Alberta) and the Company's articles and bylaws.

The Board has the oversight responsibility and specific duties described below. In addition, individual directors have the responsibility and specific duties set out in the Individual Director Mandate and any other Mandate or Position Description that applies to them.

COMPOSITION

The Board will be comprised of between three (3) and eleven (11) directors, as determined by the shareholders.

A majority of the Company's directors will be "independent" within the meaning of National Instrument 58-101 (**NI 58-101**) issued by the Canadian Securities Administrators or its successor instrument.

All Board members will have the skills and abilities appropriate to their appointment as directors. It is recognized that the right mix of experiences and competencies will aid in ensuring that the Board will carry out its duties and responsibilities in the most effective manner.

Except as set out in the articles or bylaws, Board members will be elected at the annual meeting of the Company's shareholders each year and will serve until their successors are duly elected.

RESPONSIBILITY

The Board is responsible for the stewardship of the Company and the Company's strategy, providing independent, effective leadership to supervise the management of the Company's business and affairs.

SPECIFIC DUTIES

The Board will:

Leadership

1. Provide leadership and vision to supervise the management of the Company in managing the Company and it subsidiaries in the best interests of the Company's shareholders.
2. In conjunction with the Chief Executive Officer (**CEO**), provide leadership in the development of the Company's mission, vision, principles, values, Strategic Plan and Annual Operating and Capital Plan.

Strategy

3. Approve the development of the Company's strategic direction.
4. Adopt a strategic planning process and, at least annually, approve a Strategic Plan for the Company to maximize shareholder value that takes into account, among other things, the opportunities and risks of the Company's business.
5. Monitor the Company's performance in light of the approved Strategic Plan.

CEO

6. Select, appoint, evaluate and, if necessary, terminate the CEO.
7. Receive and approve recommendations on appropriate or required CEO competencies and skills from the Compensation and Governance Committee ("**CG Committee**").
8. Approve or develop the corporate objectives that the CEO is responsible for meeting and assess the CEO against those objectives.

Succession and Compensation

9. Review and approve the Company's succession plan, including appointing, training and monitoring the performance of senior management of the Company.

ATHABASCA OIL CORPORATION

10. With the advice of the CG Committee, approve the compensation of senior management and approve appropriate compensation programs for the Company's employees.

Corporate Social Responsibility, Ethics and Integrity

11. Provide leadership to the Company in support of its commitment to corporate social responsibility.
12. Foster ethical and responsible decision-making by management.
13. Set the ethical tone for the Company and its management.
14. Take all reasonable steps to satisfy itself of the integrity of the CEO and management and satisfy itself that the CEO and management create a culture of integrity throughout the organization.
15. At the recommendation of the CG Committee, approve the Company's Code of Business Ethics and Conduct.
16. Monitor compliance with the Company's Code of Business Ethics and Conduct and grant and disclose, or decline, any waivers of the Code of Business Ethics and Conduct for officers and directors.
17. With the CG Committee and/or the Audit Committee and the Board Chair and/or Lead Director (if a Lead Director has been appointed), as appropriate, respond to potential conflict of interest situations.

Governance

18. With the CG Committee, develop the Company's approach to corporate governance, including adopting a Corporate Governance Policy that sets out the principles and guidelines applicable to the Company.
19. At least annually, as the CG Committee decides, receive for consideration each Board committee's (**Board Committee**) evaluation and any recommended changes, together with the evaluation and any further recommended changes of another Board Committee, if relevant, to the Company's governance and related policies including the Board and Board Committee mandates.
20. With the CG Committee, ensure that the Company's governance practices and policies are appropriately disclosed.
21. At the recommendation of the CG Committee, annually determine those directors to be designated as independent and ensure appropriate disclosures are made.
22. At the recommendation of the CG Committee, annually determine those directors on the Audit Committee possessing "financial literacy" under applicable law and ensure appropriate disclosures are made.

Communications, Disclosure and Compliance

23. Adopt an External Communications Policy for the Company that addresses disclosure matters and matters related to trading in the Company's securities.
24. At least annually, review the External Communications Policy and consider any recommended changes.
25. Ensure policies and procedures are in place to ensure the Company's compliance with applicable law, including timely disclosure of relevant corporate information and regulatory reporting.
26. Establish and disclose a process to permit stakeholders to directly contact the independent directors as a group.

Health, Safety and Environmental Leadership

27. Possess oversight responsibilities with respect to the development, monitoring, reporting and effective implementation of systems, programs and initiatives for the management of health, safety, security and environment matters that may affect the Company.
28. Encourage, assist and counsel management in maintaining and improving and dealing with current and emerging issues in health, safety, security and environment.
29. Lead discussions of current and emerging issues (including the establishment of appropriate plans) relevant to the Company's operations with respect to health, safety, security and environment.

Health, Safety and Environmental Performance

30. Review a report from management with respect to operational risks, health, safety, security and environment at each regularly scheduled meeting. This report will provide an update of current activities and an analysis of performance compared with annual plans and objectives. Review reports prepared by management with respect to any extraordinary event or condition involving significant environmental damage, significant risk to public health or safety, major public controversy, material liability, or potential therefore.
31. Consider the recommendations of management in its reports, assess proposed action plans.
32. Review any other reports the Board deems appropriate, including internal and external audit reports including the findings of any significant examination by regulatory agencies concerning the Company's physical assets, health, safety, security or environment matters.

Health, Safety and Environmental Compliance and Risk

33. Monitor compliance and risk with applicable law related to health, safety, security and environment.

34. Monitor compliance and risk with the Company's policies related to health, safety, security and environment.

35. Assess the impact of proposed or enacted laws and regulations related to health, safety, security and environment.

Health, Safety and Environmental Risk Management

36. Take reasonable steps to ensure that there are long range preventative programs in place to limit the potential for future liability. Review reports required to adequately monitor the long range preventative programs.

37. Take reasonable steps to oversee strategies for risk mitigation and to ensure all necessary corrective measures are taken by the Company when health, safety, security or environment issues are identified.

38. Review with management health, safety, security and environment emergency response planning procedures of the Company.

39. Periodically review the health, safety, security and environment policies of the Company.

40. Monitor current, pending or threatened legal actions by or against the Company related to matters of health, safety, security and environment.

Environment, Social and Governance ("ESG")

41. Review and monitor the Company's commitment, overall plans, policies and strategies in the areas of:

    (a) environmental considerations;

    (b) social responsibility;

    (c) ethics and corporate citizenship;

    (d) the relationship of the Company with the communities it operates in; and

    (e) corporate governance;

    to enhance the Corporation's performance and image amongst all stakeholders.

42. Review the Company's disclosure of ESG plans, policies and performance.

Board Chair

43. Annually appoint the Chair of the Board.

Lead Director

44. If the Chair of the Board is not "independent" within the meaning of NI 58-101 or its successor instrument, then the Board will appoint an independent Lead Director. In appropriate circumstances, at its discretion, the Board may also appoint a Lead Director to assist an independent Board Chair to ensure Board leadership and responsibilities are conducted in a manner to further enhance the Board's effectiveness and independence.

Committees

45. Appoint an Audit Committee with the responsibility to assist the Board in fulfilling its audit oversight responsibilities with respect to: (i) the integrity of annual and quarterly financial statements to be provided to shareholders and regulatory bodies; (ii) compliance with accounting and finance based legal and regulatory requirements; (iii) the external auditor's qualifications, independence and compensation, and communicating with the external auditor; (iv) the system of internal accounting and financial reporting controls that management has established; and (v) performance of the external audit process and of the external auditor. The Audit Committee will also have the responsibility to assist the Board in fulfilling its financial oversight responsibilities with respect to: (i) financial policies; (ii) financial risk management practices; and (iii) transactions or circumstances which could materially affect the financial profile of the Company.

46. Appoint the CG Committee with the responsibility to assist the Board in fulfilling its governance oversight responsibilities with respect to: (i) the development and implementation of principles and systems for the management of corporate governance; (ii) identifying qualified candidates and recommending nominees for director and Board Committee appointments; (iii) evaluations of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and Board Committee Chairs; and (iv) implementation and effectiveness of, and the compliance programs under, the Code of Business Ethics and Conduct. The CG Committee will also have the responsibility to assist the Board in fulfilling its compensation oversight responsibilities with respect to: (i) key compensation and human resources policies; (ii) CEO objectives, performance reviews and compensation; (iii) executive management compensation; (iv) executive management succession and development; and (v) reviewing executive compensation disclosure before its release.

47. Appoint a Reserves Committee with the responsibility to assist the Board in fulfilling its reserves and resources oversight responsibilities with respect to the evaluation and reporting of the Company's oil and gas reserves and resources and related matters including by reviewing and making recommendations to the Board with respect to: (i) the reserves data (oil and gas reserves and associated future net revenues) and resources data of the Company

that will be made publicly available and filed with applicable regulatory authorities; and (ii) the Company's procedures relating to the disclosure of information with respect to oil and gas activities.

48. In the Board's discretion, appoint any other Board Committees that the Board decides are needed or beneficial, and delegate to those Board Committees any appropriate powers of the Board.

49. In the Board's discretion, annually appoint the Chair of each Board Committee.

Delegations and Approval Authorities

50. Annually delegate approval authorities to the CEO and review and revise them as appropriate.

51. Consider and, in the Board's discretion, approve financial commitments in excess of delegated approval authorities.

52. Require the Audit Committee to recommend to the Board for consideration the annual and quarterly results, financial statements, MD&A and earnings related news releases prior to filing them with or furnishing them to the applicable securities regulators and prior to any public announcement of financial results for the periods covered.

53. Consider and, in the Board's discretion, approve any matters recommended by the Board Committees.

54. Consider and, in the Board's discretion, approve any matters proposed by management.

Annual Operating and Capital Plan

55. At least annually, approve an Annual Operating and Capital Plan for the Company including business plans, operational requirements, financing plans, organizational structure, staffing and budgets, which support the Strategic Plan.

56. Monitor the Company's performance in light of the approved Annual Operating and Capital Plan.

57. Review the Company's financial strategy considering current and future business needs, capital markets and the Company's credit rating (if any).

58. Review the Company's capital structure including debt and equity components, current and expected financial leverage, and interest rate and foreign currency exposures.

Risk Management

59. Ensure policies and procedures are in place to: identify the principal business risks and opportunities of the Company; address what risks are acceptable to the Company; and ensure that appropriate systems are in place to manage the risks.

60. Discuss with management major financial risk exposures, including those arising from the Company's exposure to changes in interest rates, foreign currency exchange rates and credit. Review the management of these risks including any proposed hedging of the exposures. Review a summary report of the hedging activities including a summary of the hedge-related instruments.

61. Ensure policies and procedures designed to maintain the integrity of the Company's disclosure controls and procedures are in place.

62. As required by applicable law, ensure policies and procedures designed to maintain the integrity of the Company's internal controls over financial reporting and management information systems are in place.

63. Ensure policies and procedures designed to maintain appropriate auditing and accounting principles and practices are in place.

64. Ensure policies and procedures designed to maintain appropriate safety, environment and social responsibility principles and practices are in place.

65. Periodically review and consider changes to the Company's dividend policy.

66. Review proposed dividends to be declared.

Transactions

67. Review any proposed issues of securities of the Company or proposed issues of securities of the subsidiaries of the Company to parties not affiliated with the Company. When applicable, review the related securities filings.

68. Review any proposed material issues of debt including public and private debt, credit facilities with banks and others, and other credit arrangements such as capital and operating leases. When applicable, review the related securities filings.

69. Receive reports from management on significant, non-material issues of or changes to debt including public and private debt, credit facilities with banks and others, and other credit arrangements such as capital and operating leases.

70. Review any proposed repurchases of shares, public and private debt or other securities.

Orientation / Education

71. With the CG Committee, oversee the development and implementation of a director orientation program covering the role of the Board and the Board Committees, the contribution individual directors are expected to make and the nature and operation of the Company's business.

72. With the CG Committee, oversee the development and implementation of an ongoing director education program designed to maintain and enhance skills and abilities of the directors and to ensure their knowledge and understanding of the Company's business remains current.

Board Performance

73. Oversee the process of the CG Committee's annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and the Board Committee Chairs, in light of the applicable Mandates and Position Descriptions.

74. Participate in an annual evaluation of Board performance by the CG Committee.

75. Receive and consider a report and recommendations from the CG Committee on the results of the annual evaluation of the performance and effectiveness of the Board, Board Committees, all individual directors, the Board Chair, the Lead Director (if a Lead Director has been appointed) and the Board Committee Chairs.

Board Meetings

76. Meet at least four times annually and as many additional times as needed to carry out its duties effectively. The Board may in appropriate circumstances hold meetings by telephone conference call.

77. Meet in separate non-management and independent director only "in camera" sessions at each regularly scheduled meeting.

78. Meet in separate, non-management and/or independent director only closed sessions with any internal personnel or outside advisors, as needed or appropriate.

Advisors/Resources

79. Retain, oversee, compensate and terminate independent advisors to assist the Board in its activities.

80. Receive adequate funding for independent advisors and ordinary administrative expenses that are needed or appropriate for the Board to carry out its duties.

Other

81. To honour the spirit and intent of applicable law as it evolves, authority to make minor technical amendments to this Mandate is delegated to the Corporate Secretary, who will report any amendments to the CG Committee at its next meeting.

82. Once or more annually, as the CG Committee decides, this Mandate will be evaluated and updates recommended to the Board for consideration.

Standards of Liability

Nothing contained in this Mandate is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of any Board Committee. The purposes and responsibilities outlined in this Mandate are meant to serve as guidelines rather than inflexible rules and, subject to applicable law and the articles and bylaws of the Company, the Board may adopt such additional procedures and standards, as it deems necessary from time to time to fulfill its responsibilities.

Adopted:	December 11, 2009
Revised and Approved:	March 6, 2020
	December 6, 2017
	July 6, 2017
	May 11, 2015
	March 11, 2015
	March 20, 2013

Appendix C

ATHABASCA OIL Corporation

EQUITY OWNERSHIP AND RETENTION GUIDELINES FOR NON-EXECUTIVE DIRECTORS AND EXECUTIVE OFFICERS

1. **Directors and Executives Subject to these Guidelines**: The Non-Executive Directors, Chief Executive Officer, and all Vice Presidents are subject to these guidelines.

2. **Purpose**: These guidelines are intended to align the interests of Athabasca's non-executive directors and executive officers with the interests of its shareholders, to promote an "ownership culture" amongst the executive officers and demonstrate their financial commitment to Athabasca, and to encourage the executive officers to focus on long-term value creation.

   The Compensation and Corporate Governance Committee is responsible for monitoring compliance with these guidelines on an annual basis.

3. **Equity Ownership Guidelines**: Each non-executive director and executive officer is expected to accumulate equity in Athabasca equal to a multiple of their base annual salary as follows:

Title	Multiple of Base Annual Salary
Non-Executive Directors	3x annual cash retainer and equity retainer
Chief Executive Officer	3x base annual salary
Other Executive Officers	2x base annual salary

   Existing non-executive directors and executive officers have five years from March 18, 2014 to meet their applicable minimum required levels of equity ownership. Non-executive directors and executive officers appointed after March 18, 2014 will have five years from the date of their appointment to meet their applicable equity ownership requirements.

4. **Compliance Calculation**: The determination of whether a non-executive director or executive meets the applicable guideline will be made on December 31 of each year by using the greater of: (a) the average closing price of Athabasca shares on the TSX for the prior 60 day period; and (b) the acquisition cost of the applicable form of equity.

Subject to the paragraph immediately below, if an executive officer fails to meet the applicable guideline, the executive officer will be required to use up to one-third of any net annual cash bonus to purchase Athabasca shares.

If a non-executive director or executive officer falls below the applicable guideline due solely to a decline in the value of the Athabasca shares, the non-executive director or executive officer will not be required to acquire additional shares to meet the guideline, but he or she will be required to retain all shares then held (except for shares withheld to pay withholding taxes or the exercise price of options) until such time as the non-executive director or executive officer again attains the target multiple.

Equity that counts toward meeting the stock ownership guidelines:

(a) shares owned directly or indirectly;

(b) shares over which the non-executive director or executive officer exercises control or direction;

(c) unvested restricted share units;

(d) unearned performance awards calculated using a 1x multiplier;

(e) deferred share units; and

(f) units in the company's Employee Profit Sharing Plan.

Unexercised stock options will not count toward meeting the stock ownership guidelines.

APPROVED: March 18, 2014

AMENDED: May 9, 2018

AMENDED: March 16, 2022

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