

ATHABASCA

OIL CORPORATION

**Notice of Annual General and
Special Meeting of Shareholders
To be held on May 5, 2021
and
Information Circular – Proxy Statement**

Dated April 1, 2021

ATHABASCA

OIL CORPORATION

Notice of Annual General and Special Meeting of Shareholders to be held on May 5, 2021.

The annual general and special 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 5, 2021 in a virtual-only format that will be conducted via live webcast accessible online at <https://web.lumiagm.com/456712114>, password “athabasca2021” (case sensitive), for the following purposes. Record Date: March 30, 2021.

Agenda

1. Receive and consider the financial statements of the Corporation for the year ended December 31, 2020 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;
5. Consider, and if thought advisable, approve an ordinary resolution amending, reconfirming and approving the Corporation’s shareholder rights plan agreement;
6. Consider, and if thought advisable, approve an ordinary resolution adopting the Corporation’s new omnibus long term incentive plan; and
7. 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 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, 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 15 digit 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 30, 2021 will be entitled to vote at the Meeting.

DATED at Calgary, Alberta, April 1, 2021.



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

Letter to Shareholders

April 1, 2021

Dear Fellow Shareholder:

Athabasca Oil Corporation (“**Athabasca**”) is pleased to invite you to the annual and special meeting of common shareholders on May 5, 2021. 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 <https://web.lumiagm.com/456712114>, password “**athabasca2021**” (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 2020 Annual Information Form and on our website.

This year, we are also seeking shareholder approval of a new omnibus equity compensation plan that provides Athabasca with the ability to grant different forms of equity incentives to its officers and employees. The board of directors of Athabasca (the “**Board**”) continues to believe that equity compensation is an appropriate way for Athabasca to ensure that the interests of its management team and employees are aligned with its shareholders and to attract and retain the best possible talent. The equity compensation plan that is being proposed provides Athabasca with options, restricted share units (“**RSUs**”) and performance share units (“**PSUs**”), and provides the Board with the discretion to settle RSUs and PSUs in shares or in cash.

Due to the unprecedented public health impact of COVID-19, and in alignment with applicable restrictions on large public gatherings, 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 and Special Meeting of Shareholders
to be held on May 5, 2021 (the “Meeting”)**

Dated April 1, 2021

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 15-digit 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 30, 2021 (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 April 1, 2021. 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/Athabasca by 9:00 a.m. MDT on May 3, 2021 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. MT on May 3, 2021. 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 not using “notice-and-access” to send its proxy-related materials to shareholders, and paper copies of such materials will be sent to all shareholders. The Corporation will not send proxy-related materials 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 proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of National Instrument 54-101.

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 form of proxy, Notice of Annual General and Special Meeting and the Circular. In addition to mailing forms of

proxy, 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: <https://web.lumiagm.com/456712114>. 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 Control Number/Username" and enter your 15-digit Control Number or Username and the password: "athabasca2021" (case sensitive).

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 15-digit 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 Record Date, there were 530,675,391 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 30, 2021.

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, 2020 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 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, Bryan Begley, Robert Broen, Anne Downey, Thomas Ebborn, Carlos Fierro and John Festival. 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 enclosed 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, 2020, 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.

Extension, Reconfirmation and Approval of the Shareholder Rights Plan

Background

In connection with the initial public offering by the Corporation of its Common Shares in April 2010, the Corporation adopted a shareholder protection rights plan agreement between the Corporation and Olympia Trust Company, as rights agent, dated effective April 8, 2010 (the "**2010 Rights Plan**"). In 2018, the

shareholders approved a new shareholder rights plan agreement between the Corporation and Computershare Investor Services Inc. (the "**2018 Rights Plan**") to replace the 2010 Rights Plan, which came into effect on April 6, 2018. The primary objectives of the 2018 Rights Plan are to (a) ensure, to the extent possible,

that all holders of the Common Shares and the Board have adequate time to consider and evaluate any unsolicited take-over bids for the Common Shares; (b) provide the Board with adequate time to identify, solicit, develop and negotiate value-enhancing alternatives, as considered appropriate, to any unsolicited take-over bid; (c) encourage the fair treatment of the Corporation's shareholders in connection with any unsolicited take-over bid; and (d) generally assist the Board in enhancing shareholder value. The terms of the 2018 Rights Plan provide that such agreement will expire at the close of business on the date of the 2021 annual meeting of the Corporation's shareholders.

Shareholders will be asked at the Meeting to consider and, if deemed appropriate, approve an ordinary resolution (the **"Shareholder Rights Plan Resolution"**), the text of which is set forth below, approving the following:

1. amendments to the 2018 Rights Plan, which will change the termination provisions in the 2018 Rights Plan to provide that the 2018 Rights Plan must be reconfirmed at the third and sixth annual meetings of shareholders after the adoption of the 2018 Rights Plan (i.e., at the Meeting and then in 2024), as further described in Appendix A (the **"Amendments"**); and
2. subject to the approval of the Amendments, reconfirmation of the 2018 Rights Plan, as amended by the Amendments, for a further three years until the 2024 annual meeting of the shareholders.

A summary of the principal terms of the 2018 Rights Plan and Amendments is set out in Appendix A.

If the Shareholder Rights Plan Resolution is not approved, the 2018 Rights Plan will terminate on May 5, 2021.

To effect an amendment of the 2018 Rights Plan, such amendment must be approved by a majority of votes cast by the Independent Shareholders at the Meeting. "Independent Shareholders" is defined in the 2018 Rights Plan as all holders of Common Shares, excluding (i) any Acquiring Person (as defined in the 2018 Rights Plan), (ii) any person that has announced an intention to make or who has made a take-over bid, (iii) affiliates or associates of any person enumerated in (i) and (ii), and (iv) any employee benefit plan, stock purchase plan, deferred profit

sharing plan and any other similar plan or trust for the benefit of employees of the Corporation unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted. As of April 1, 2021, the Corporation is not aware of any shareholders that would be excluded from the vote on the basis that such holder is not an Independent Shareholder.

Management recommends that shareholders vote FOR the Shareholder Rights Plan Resolution. The persons named in the enclosed form of proxy intend to vote FOR the Shareholder Rights Plan Resolution unless the shareholder specifies to vote against the Shareholder Rights Plan Resolution.

The text of the Shareholder Rights Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

Proposed Shareholder Rights Plan Resolution

"BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

1. amendments to the shareholder rights plan agreement dated April 6, 2018 between Athabasca Oil Corporation (the **"Corporation"**) and Computershare Investor Services Inc. (the **"2018 Rights Plan"**), as described in the Corporation's Management Information Circular dated April 1, 2021, are hereby, ratified, authorized and approved;
2. the 2018 Rights Plan, as amended, is hereby ratified, reconfirmed and approved; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

In order for the Shareholder Rights Plan Resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

Approval of Omnibus Long Term Incentive Plan

Background

On March 29, 2021, the Board approved, subject to shareholder approval, the adoption of a new omnibus long term incentive plan (the **"Omnibus Incentive Plan"**). The Omnibus Incentive Plan is a long-term incentive plan that permits the grant of

options (**"Options"**), restricted share units (**"RSUs"**), performance share units (**"PSUs"**) and other security based awards to officers, employees and certain service providers of the Corporation and its affiliates (collectively, the **"Eligible Individuals"**).

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, if approved, will also help to streamline the administration of long-term incentive awards, as all new awards granted by the Corporation to Eligible Individuals will be governed by a single plan.

A complete copy of the Omnibus Incentive Plan is attached to this Circular as Appendix B, and a summary of the principal terms of the Omnibus Incentive Plan is set forth below. At the Meeting, shareholders will be asked to consider and, if deemed appropriate, approve an ordinary resolution approving the Omnibus Incentive Plan (the “**Omnibus Incentive Plan Resolution**”). If the Omnibus Incentive Plan Resolution is passed the Omnibus Incentive Plan will replace the Performance Plan, the 2015 RSU Plan and the Option Plan (collectively, the “**Prior Plans**”) in respect of future awards, and no new awards will be granted under such Prior Plans. Outstanding awards granted under the Prior Plans will continue to be governed by the terms of such plans until such awards are exercised, expire, or are otherwise terminated or cancelled. Deferred Share Units (“**DSUs**”) will continue to be granted to directors under the existing DSU plan.

In connection with the proposed Omnibus Incentive Plan, the Board is seeking approval for 10% of the issued and outstanding Common Shares from time to time to be made available for issuance pursuant to awards granted under the Omnibus Incentive Plan, which number includes Performance Awards, RSUs and Options granted under the Prior Plans. Common Shares issuable pursuant to awards granted under the Omnibus Incentive Plan that expire, or are terminated, forfeited or cancelled, will again be available for issuance pursuant to awards subsequently granted under the Omnibus Incentive Plan. The number of Common Shares available for issuance pursuant to awards granted under the Omnibus Incentive Plan will be subject to adjustment in the event of a share split, share dividend, reverse share split, reorganization, share combination, recapitalization or similar event affecting the capital structure of the Corporation.

Description of the Omnibus Incentive Plan

The Omnibus Incentive Plan will be administered by the Board, and the Board will have the authority to interpret the Omnibus Incentive Plan, including in respect of any award granted thereunder. The Omnibus Incentive Plan will permit the Board to make future awards of Options, RSUs, PSUs or other security based awards to Eligible Individuals. No such entitlements under the Omnibus Incentive Plan are currently outstanding or will be outstanding as of the date of the Meeting.

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 of the Corporation (which, for greater certainty, includes the Prior Plans) will be 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 the Prior Plans 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 will be added back to the number of Common Shares available for issuance.

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

Insider Participation Limits and Other Participation Limits

The number of Common Shares that will be issuable to insiders of the Corporation, at any time, under the Omnibus Incentive Plan or any other security based compensation arrangement of the Corporation (which, for greater certainty, includes the Prior Plans), 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 (which, for greater certainty, includes the Prior Plan), 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 Corporation’s 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 will have an exercise price determined and approved by the Board at the time of grant, which exercise price will not be 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 will vest as set forth in each participant's award agreement. Options shall be 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 will be 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.

RSUs and PSUs

The Board will be 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.

RSUs generally become vested, if at all, following a period of continuous employment. Unless otherwise specified by the board, RSUs will vest and be 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 will be, in whole or in part, conditioned on the attainment of specified performance metrics as may be determined by the Board, provided that the minimum performance multiplier will be 0%

and the maximum payout multiplier cannot exceed 200%. 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 will be set out in the participant's award agreement.

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) will entitle 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.

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.

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 will provide 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 will not be 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.

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 will 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 will not be 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.

Management recommends that shareholders vote FOR the Omnibus Incentive Plan Resolution. The persons named in the enclosed form of proxy intend to vote FOR the Omnibus Incentive Plan Resolution unless the shareholder specifies to vote against the Omnibus Incentive Plan Resolution.

The text of the Omnibus Incentive Plan Resolution, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

Proposed Omnibus Incentive Plan Resolution

“BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:

1. the omnibus long term incentive plan (the “**Omnibus Incentive Plan**”) of Athabasca Oil Corporation (the “**Corporation**”), as approved by the board of directors of the Corporation on March 29, 2021 and reflected in the copy of such Omnibus Incentive Plan attached as Appendix B to the management information circular dated April 1, 2021 of the Corporation (the “**Circular**”), be and hereby is ratified, confirmed and approved;
2. the Corporation be and is hereby authorized to reserve and allot for issuance up to 10% of the aggregate number of issued and outstanding common shares in the capital of the Corporation pursuant to Awards (as such term is defined in the Omnibus Incentive Plan) granted under the Omnibus Incentive Plan, from time to time in accordance with the terms of the Omnibus Incentive Plan; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

In order for the Omnibus Incentive Plan Resolution to be passed, it must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting.

Director Nominees

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, 2020 (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.

2020 Board and Committee Meeting Attendance:

Meeting Attendance

Board (Chair)	9 of 9 (100%)
Audit	4 of 4 (100%) (non-member)
Compensation & Governance	2 of 2 (100%) (non-member)
Reserves	2 of 2 (100%)

Ownership:

December 31, 2020

Common Shares Owned, Controlled or Directed	373,750
DSUs	1,807,594
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$370,828

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.

2020 Board and Committee Meeting Attendance:

	Meeting Attendance ⁽²⁾
Board	9 of 9 (100%)
Audit	3 of 3 (100%)
Compensation & Governance	2 of 2 (100%)
Reserves	2 of 2 (100%)

Ownership:

December 31, 2020

Common Shares Owned, Controlled or Directed	500,010
DSUs	1,337,767
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$312,422

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.

2020 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	9 of 9 (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, 2020
Common Shares Owned, Controlled or Directed	2,316,322
Options	4,831,800
2015 RSUs	2,747,199
Performance Awards	3,478,600
Total Market Value of Common Shares, Options, 2015 RSUs and Performance Awards ⁽¹⁾⁽³⁾	\$1,089,364

Anne Downey

Director
Alberta, Canada

Status: Independent

Director since September 1, 2017

Other Public Company Board Memberships:

- None

Current Committee Memberships:

- Reserves (Chair)

Ms. Downey brings 40 years of upstream oil and gas experience including as the Vice President Operations at Statoil Canada responsible for oil sands asset development, operations and technology strategy and implementation until 2017. Ms. Downey was an Industry Member appointee to the Alberta Government's Oil Sands Advisory Group and previously held senior technical and management roles at Gulf Canada and Petro-Canada.

2020 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	9 of 9 (100%)
Reserves	2 of 2 (100%)

Ownership:**December 31, 2020**

Common Shares Owned, Controlled or Directed	42,300
DSUs	769,679
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$138,036

Thomas Ebbert

Director
Alberta, Canada

Status: Independent

Director since May 9, 2018

Other Public Company Board Memberships:

- None

Current Committee Memberships:

- Audit
- Compensation & Governance

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

2020 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	9 of 9 (100%)
Audit	4 of 4 (100%)
Compensation & Governance	2 of 2 (100%)

Ownership:**December 31, 2020**

Common Shares Owned, Controlled or Directed	100,000
DSUs	966,941
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$181,380

Carlos Fierro

Director
New York, U.S.A.

Status: Independent

Director since January 6, 2015

Other Public Company Board Memberships:

- Shell Midstream Partners, L.P.

Current Committee Memberships:

- Audit (Chair)
- Compensation & Governance

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 and Global Head of the Natural Resources Group for Barclays PLC.; and a transactional lawyer with Baker Botts LLP.

2020 Board and Committee Meeting Attendance:

	Meeting Attendance
Board	9 of 9 (100%)
Audit	4 of 4 (100%)
Compensation & Governance	2 of 2 (100%)

Ownership:**December 31, 2020**

Common Shares Owned, Controlled or Directed	40,000
DSUs	1,431,383
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$250,135

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.

2020 Board and Committee Meeting Attendance:**Meeting Attendance⁽⁴⁾**

Board	4 of 4 (100%)
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Ownership:**December 31, 2020**

Common Shares Owned, Controlled or Directed	614,700
DSUs	384,615
Total Market Value of Common Shares and DSUs ⁽¹⁾	\$169,884

Notes:

- (1) "Total Market Value" was determined by (a) multiplying the number of Common Shares held by the nominee as of December 31, 2020 by the closing price of the Common Shares on the TSX on such date (\$0.17); 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, 2020 multiplied by the closing price of the Common Shares on the TSX on such date (\$0.17).
- (2) On March 4, 2020, Mr. Begley was appointed to the Audit Committee and ceased to be a member of the Reserves Committee.
- (3) Mr. Broen's "Total Market Value" also includes values for Performance Awards and 2015 RSUs equal to the sum of the Awards and units multiplied by the closing price of the Common Shares on the TSX on December 31, 2020 (\$0.17) and subject to any applicable multiplier applied to Performance Award units granted to Mr. Broen.
- (4) Mr. Festival was appointed to the Board of Directors and Reserve Committee on May 7, 2020.

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	Begley	Broen	Downey	Ebbert	Eckhardt	Festiva	Fierro	Count
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		•		•	•	•	•	5
Oil Sands	•	•	•			•		4
Capital Markets	•	•		•		•	•	5
M&A	•	•		•	•	•	•	6
Risk Management		•	•	•	•	•	•	6
Count	8	12	9	9	10	12	9	

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; 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 2020.

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. The Board has not approved an increase to the directors’ annual cash retainer since March 14, 2014. In 2019, the Board reduced director’s annual cash retainers by 10% in recognition of the challenging macro environment and cash retainers in 2020 remained at the rolled-back levels 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, the value of the DSU retainer will be \$100,000, which aligns with Athabasca’s peer companies and continues to reflect Athabasca’s compensation related response to the impacts of the COVID-19 pandemic.

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 C – *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 and RSUs to non-management directors.

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, 2020 (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⁾	52,273	50,000	—	—	N/A	—	102,273
Anne Downey	52,273	50,000	—	—	N/A	—	102,273
Thomas Ebber ⁽⁴⁾	45,455	50,000	—	—	N/A	—	95,455
Ronald Eckhardt ⁽⁵⁾	90,910	50,000	—	—	N/A	—	140,910
John Festival ⁽⁶⁾	29,471	50,000	—	—	N/A	—	79,471
Carlos Fierro ⁽⁷⁾	54,296	50,000	—	—	N/A	—	104,296

Cash Retainer

For the year ended December 31, 2020, non-management directors were paid an annual retainer of \$45,455. Additionally, non-management directors were also paid for serving in the following roles:

Board Role	Retainer Amount
Board Chair	\$45,455
Audit Committee Chair	\$13,636
Compensation and Governance Committee Chair	\$ 6,818
Reserve Committee Chair	\$ 6,818
Lead Director (when applicable)	\$22,727

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.

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. The value of the DSUs awarded to the non-management directors in 2020 was reduced to \$50,000 from \$150,000, as noted above, as a result of market volatility caused by the COVID-19 pandemic and its impact on the market price of the Common Shares.

Notes:

- (1) The compensation reported under share-based awards is the value of DSUs granted in the year ended December 31, 2020. 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), (5) and (7) 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 2020 (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 292,670 DSUs in lieu of such fees.
- (4) Mr. Ebbern elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Ebbern received 254,497 DSUs in lieu of such fees.
- (5) Mr. Eckhardt elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Eckhardt received 508,994 DSUs in lieu of such fees.
- (6) Mr. Festival joined the board on May 7, 2020 and therefore his fees were pro-rated for the year based on start date.
- (7) Mr. Fierro elected to receive 100% of fees earned in the form of DSUs. As a result, Mr. Fierro received 305,971 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, 2020 (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.

Name	Share-Based Awards		
	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	—	—	227,420
Anne Downey	—	—	130,845
Thomas Ebbern	—	—	164,380
Ronald Eckhardt	—	—	307,291
John Festival	—	—	65,385
Carlos Fierro	—	—	243,335

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, 2020 multiplied by \$0.17, being the closing price of the Common Shares on the TSX on December 31, 2020.

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, 2020 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2020 for each director. Directors did not hold any outstanding Option-based awards that would have vested in 2020.

Name	Share-based awards – Value vested during the year ⁽¹⁾⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bryan Begley	102,270	—
Anne Downey	50,000	—
Thomas Ebbern	95,450	—
Ronald Eckhardt	140,910	—
John Festival	50,000	—
Carlos Fierro	104,300	—

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, 2020. 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.

Corporate Governance

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 D 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 Corporation initiated a targeted board renewal process commencing in 2014 with the assistance of the international search firm Korn Ferry. 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 seven incumbent Board nominees ranges from less than one year to nine years, including new appointments in 2012, 2015, 2016, 2017, 2018, and 2020, which the Compensation and Governance Committee believes 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 past-performance, recognize successes and identify areas for improvement for the Board, its committees and individual directors. In the written 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.

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, Ebborn, Eckhardt, Fierro and Festival are independent. Ms. Downey was previously not considered independent because she provided consulting services to Athabasca in 2017 and 2018. Ms. Downey is now considered to be independent for the purposes of NI 58-101. Mr. Broen is not independent because he is the President and CEO of the Corporation.

Meetings of the Independent Directors

The Board held nine meetings between January 1, 2020 and December 31, 2020 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, 2020 and December 31, 2020.

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.

In 2017, Athabasca appointed its first female Board member, which represents 14% of its board membership.

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

The COVID-19 pandemic that began in March 2020 had a significant negative impact on global commodity prices due to a reduction in oil demand as countries around the world enacted emergency measures to combat the spread of the virus. The Corporation took swift action in response to the pandemic and the economic crisis. Major initiatives included but were not restricted to: a reduction to the 2020 capital program, temporary production curtailments, bolstering liquidity by \$70 million through an upsized contingent bitumen royalty, partnering with service companies to reduce operating costs and reducing future financial commitments on the Keystone XL pipeline ("**KXL**").

In the second half of 2020, commodity prices began to improve with both OPEC+ and North American producers reducing production allowing for global inventories to fall. Economies have started to reopen with positive developments on the vaccine front and world oil demand has almost recovered to pre-pandemic levels. Supply and demand fundamentals are now supporting a much stronger oil futures market.

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

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.

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, the Lead Director (if a Lead Director has been appointed) 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 will remain an important focus for the Board as we continue to be of the view that Athabasca's delivery of profitable and sustainable growth can only be achieved if we attract, retain and motivate talented executives.

Over the previous several years, Athabasca has undertaken a substantial review of all of its compensation programs in order to align them with competitive market practice, as well as to ensure its incentive programs evolved as the Corporation matured into an intermediate oil and gas producer. Changes have included:

- Implementing a structured corporate scorecard for determining annual short-term incentive compensation.
- Proposing the implementation of the Omnibus Incentive Plan, which is subject to shareholder approval at the Meeting, designed to ensure alignment with shareholder interests by encouraging equity ownership among our directors, officers and eligible employees and to streamline the administration of the Corporation's long-term incentive awards.
- Implementing a director DSU program in conjunction with the elimination of director RSU and Option grants.
- Eliminating large initial grants of long-term equity incentive awards to new employees and adopting a practice that is more aligned with industry practices.
- Limiting the award of Option grants to executive officers of the Corporation. Annual Option grants were not awarded in 2020.

Response to COVID-19 and 2020 Market Volatility

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. Additionally, the Board determined not to award annual Option grants to executives in 2020 as a result of their

potential dilutive effect. Finally, the Employee Profit Savings Plan, including a corporate contribution of 5% of executive base salaries in Athabasca shares, was suspended.

The Compensation and Governance Committee will continue to ensure our incentive programs meet the needs of the Corporation's progressing business 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, 2020:

- 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 2020 AGM, the Compensation and Governance Committee was comprised of three members: Bryan Begley, Thomas Ebbert and Carlos Fierro, all of whom are independent. Each current member's previous executive management experience and current board roles are described under "Director Nominees – Director Nominee Profiles" above.

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 Ebbert	Yes	Mr. Ebbert 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. Ebbert has 8 years of experience as Executive Managing Director of Tristone Capital which involved determining and managing staff compensation programs.
Carlos Fierro	Yes	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.

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.

During 2020, the Corporation retained Brenda Mickelson, a human resources consultant specializing in compensation services, to assist Athabasca with various human resources

matters and the implementation of its compensation program, including executive compensation.

Executive Compensation-Related Fees:

Consultant	Fees Paid	
	2019	2020
Brenda Mickelson	—	\$86,000
All Other Fees	—	—

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 2020 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.	TORC Oil & Gas Ltd.	Whitecap Resources Inc.

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 C-*Description of Long-Term Incentive Plans*) in any given year based on factors which include individual performance and prevailing market conditions. For example, in previous years the Board has granted significantly reduced long-term incentive ("LTI") awards due to challenging market conditions and in order to limit dilution experienced by shareholders or in years where the Corporation has undergone transformative transactions, it has granted a special one-time Options grant to create retention value for those executives who would implement those transactions and in other years, such as 2018, the Board did not grant any Option awards at all to executives.

Effective January 1, 2019, the executives elected to take a 10% base salary rollback due to the unpredictable macro climate affecting the oil and gas sector and extreme pricing volatility, which was approved by the Board. During 2020, in response to the COVID-19 outbreak, the executives elected to implement a similar 10% salary rollback. Additionally, the Board determined not to award annual Option grants to executives in 2020 as a result of their potential dilutive effect. Finally, the Employee Profit Savings Plan, including a corporate contribution of 5% of executive base salaries in Athabasca shares, was suspended.

Total compensation for Athabasca's executive officers (including its NEOs) is comprised of fixed and variable (or "at risk") compensation and includes:

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 Options, RSUs and PSUs 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 Employee Registered Retirement 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 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 2020, 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

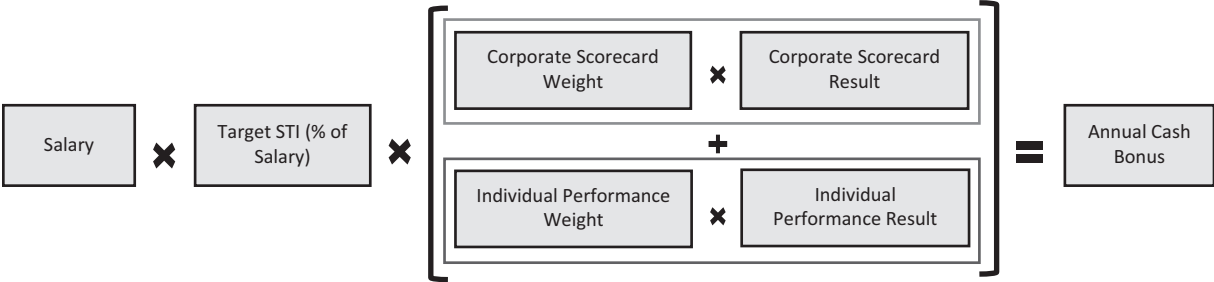
between 0% and 150% of their target STI. The CEO may achieve an annual cash bonus payout of between 0% and 200% of his target STI.

The Board chose to reward a special bonus in 2020 to certain executives for successful completion of financings and commercial transactions essential to the Corporation.

For 2020, 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:



Athabasca’s 2020 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**”).

The Compensation and Governance Committee retains discretion to change the Corporate Scorecard when it believes it is reasonable to do so, considering matters such as the business environment in which the performance was achieved. For 2020, after a comprehensive review of the Corporate Scorecard and results, the Compensation Committee adjusted the Corporate Scorecard to recognize the unprecedented challenges posed by the COVID-19 pandemic and reduced oil and gas demand in 2020.

As described earlier, the Corporation took swift action in response to the COVID-19 pandemic and the economic crisis. Major initiatives included but were not restricted to: a reduction to the 2020 capital program, temporary production curtailments, bolstering of liquidity by \$70 million through an upsized Contingent Bitumen Royalty, partnering with service companies to reduce operating costs and reducing future financial commitments on KXL. Additionally, the Corporation ensured protection of Athabasca assets, including its personnel, was a top priority. The Corporation delivered top-tier health and safety performance in 2020. The Board’s view was that the Corporation’s response to the COVID-19 pandemic was exceptional.

In 2020, the Corporation met or exceeded the majority of the adjusted Corporate Scorecard metrics. Adjustments on the scorecard were solely made for targets related to intentional production and capital curtailments that were implemented to preserve company value. The Board approved a rating of 33% for Athabasca's Corporate & Strategic Development metrics which had a slight negative impact on the overall scorecard result. This rating reflects Athabasca delivery on several planned corporate and strategic goals in 2020, but recognizes that many strategic initiatives were halted or adjusted as the Corporation quickly responded to the realities of the COVID-19 pandemic and the challenges facing the oil and gas industry in 2020. 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 and Safety	TRIF	0.6	0.1	150%	20%	30.0%
	ERP Drills	12	12			
	Contractor verification audits	16	20			
Average Production	Light Oil	9,908 boe/d	9,738 boe/d	111%	20%	22.2%
	Thermal Oil	21,695 boe/d	22,745 boe/d			
	Corporation Total	31,603 boe/d	32,483 boe/d ⁽²⁾			
Costs	Light Oil Operating Expense	\$32.8 MM	\$27.9 MM	150%	20%	30.0%
	Thermal Oil Operating Expense	\$137.1 MM	\$109.5 MM			
	Gross G&A Costs	\$40.8 MM	\$32.5 MM			
	Corporation Total	\$210.7 MM	\$169.9 MM			
Capital Investment	Light Oil	\$55.0 MM	\$37.4 MM	150%	20%	30.0%
	Thermal	\$59.8 MM	\$46.6 MM			
	Corporate	\$0.1 MM	\$0 MM			
	Corporation Total	\$114.9 MM	\$84.0 M			
Corporate & Strategic Development	Business Development			33%	20%	6.6%
	Financing					
	Corporate Strategy					
	Share Price Performance					
	Shareholder Transition					
	HR & People					
Total						119%⁽³⁾

Notes:

- (1) Target metrics are normalized for non-controllable items such as commodity price input costs.
- (2) 2020 production was comprised of: 22,745 bbl/d of bitumen, 3,117 bbl/day of tight oil and light & medium oil (98% or more of which was tight oil), 1,964 bbl/d of condensate NGLs, 785 of other NGLs, 23,229 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) Numbers do not add exactly due to rounding.

Individual NEO Performance

Early in 2020, each executive officer developed key strategic personal deliverables in support of Athabasca's 2020 corporate objectives. In early 2021, the CEO met with each of the Corporation's executive officers as part of an annual review process to discuss and evaluate their individual 2020 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 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.

In 2020, Athabasca's equity-based long-term incentive compensation under the Prior Plans included RSUs and Performance Awards, as generally described below and in more detail in Appendix C – *Description of Long-Term Equity Incentive Plans*.

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 2020, the Corporation granted NEOs the following mix of equity as long-term incentive compensation:

Key Features	Performance Awards	RSUs
2020 LTI Mix	50%	50%
Vesting Period	3-Year Cliff	3-Year Ratable
Term	3 Years	3 Years
Award Size	Target grant sizes set as a % of base salary. Final grant size subject to Board discretion.	
2020 Performance Measures	Relative Total Shareholder Return (50%) + Corporate Scorecard (50%)	None
Performance Framework	Payout 0%—200% of Grant	None
Settlement	Common Shares or Cash, as determined by the Board	Common Shares or Cash, as determined by the Board

2020 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 CEO, whose LTI target is 300%.

Option Plan

The Board believes Option awards can be an integral part of the Corporation's overall compensation program as they align the interests of senior employees 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.

However, the Board recognizes the dilutive effects of Options and exercised its discretion to forego annual Option grants to NEOs in 2020. The Board believes that the granting of Options remains an important part of the Corporation's compensation program and the Board intends to continue to exercise its discretion to responsibly make grants in future years under the Omnibus Incentive Plan.

RSU Plan

Executives and employees participate in the Corporation's RSU plans, which have included the RSU plan adopted in 2010 (the "2010 RSU Plan") and the RSU plan adopted in 2015 (the "2015

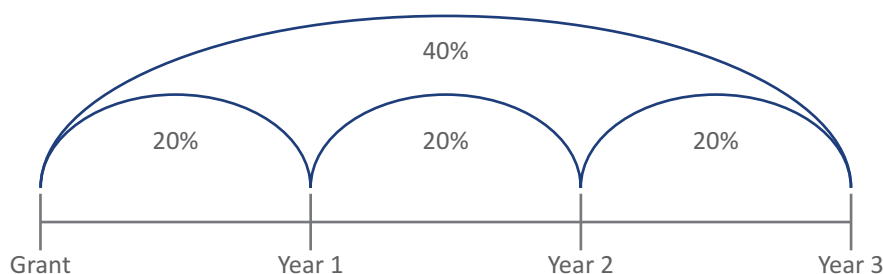
RSU Plan"). All RSUs granted under the 2010 RSU Plan have vested and are no longer outstanding. The 2015 RSU Plan allows the Board to grant RSUs, each of which is a unit that is equivalent in value to a Common Share and that upon vesting, results in the holder thereof typically being issued a Common 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 Omnibus Incentive Plan will also provide for grants of RSUs.

Performance Plan

The Corporation's performance award plan dated March 18, 2014 (the "Performance Plan") allowed the Board to grant incentive awards ("Performance Awards") to eligible officers and other senior employees and is intended to align the interests of participants with Athabasca's shareholders. The performance measures applied to awards serve to focus employees on operating and financial performance and relative long-term shareholder value.

The number of granted Performance Awards that may vest is based 50% on the total shareholder return ("TSR") for a particular performance period, compared to our pay comparator group, and 50% based on "Corporate Scorecard" performance over that same period (see "Annual Short-term Incentive Compensation – Athabasca's 2020 Corporate Scorecard Performance" above), with the weighting for each performance period as shown below.

Performance Periods



Under the Performance Plan, a sliding scale payout multiplier of between 0% (below P25) and 200% (P75 and above) is applied to the TSR calculation. The “Corporate Scorecard” is also translated from a performance score of 0 to 150% to a score of 0 – 200%. On April 1, 2020 the Performance Awards granted by the Corporation in 2017 vested with a payout multiplier of 111%. For a more detailed discussion of the Performance Plan see Appendix C- *Description of Long-Term Equity Incentive Plans- Performance Plan*. 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 be seeking approval for the unallocated awards at the annual meeting in 2020, and has determined it will not seek approval for unallocated awards at the Meeting, accordingly, Performance Awards have not been granted since the annual meeting in 2020. The Omnibus Incentive Plan will also provide for grants of PSUs, with performance goals to be established by the Board from time to time.

Other Compensation

Employee Registered Retirement 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	Number of employees eligible (as at December 31, 2020)
Less than 3	100% up to 4% of base salary	18
3 – 8, and all full-time, field-based employees	150% up to 6% of base salary	79
Over 8	200% up to 8% of base salary	42

In 2019, the Corporation replaced the employee profit sharing plan with a directly held stock fund (the “DHS”) administered under the RRSP. Under the DHS program, the Corporation contributed on each participating employee’s behalf an amount equal to 5% of the participating employee’s base salary into an

individual DHS fund account to solely purchase Athabasca Common Shares in the market. The DHS program was suspended April 16, 2020 in a response to the Corporation’s commitment to manage costs during the COVID-19 pandemic and remains suspended in 2021.

CEO Compensation

Since becoming President and CEO on April 21, 2015, Mr. Broen has led Athabasca in establishing itself as an intermediate oil and gas producer through the implementation of several key transactions and by delivering on key operational objectives. See “Annual Short-Term Incentive Compensation – Athabasca’s 2020 Corporate Scorecard Performance” above for specific details regarding Athabasca’s 2020 Corporate Scorecard and its performance against its scorecard metrics.

As part of Athabasca’s pay philosophy, a significant portion of Mr. Broen’s target pay mix 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 his compensation being “at risk”.

Mr. Broen's leadership of Athabasca and alignment with company performance is reflected in his annual bonus, which is based 100% on the Corporation's performance against its Corporate Scorecard. In addition, the value of the LTI granted is directly tied to the Corporation's share price as well as performance relative to peers through the relative TSR component of the Performance Awards. The table below shows the grant date fair value of awards made to Mr. Broen over the last three years compared to the indicative value of those awards as at the end of 2020.

Year	Grant Date Fair Value of Awards ⁽¹⁾	Indicative Value of Awards as at December 31, 2020 ⁽²⁾	Change in Award Value as a % of Grant Date Fair Value	Athabasca Share Price Return ⁽³⁾
2018	\$1,560,008	\$ 243,304	-84%	-85%
2019	\$1,559,938	\$ 259,420	-83%	-83%
2020	\$1,560,000	\$ 680,000	-56%	-65%
Total 2018 – 2020	\$4,679,946	\$1,182,724	-75%	-85%

Notes:

- (1) Value includes RSU, Performance Award and Option (if applicable) grants (refer to "Summary Compensation Table – NEOs").
- (2) The actual value realized on exercise or release may be greater or less than the indicative value. Payout multipliers have not been assumed in calculation of indicative values.
- (3) Equal to the percentage change in the price of Athabasca's Common Shares between the price at the time of grant (refer to "Summary Compensation Table – NEOs") and \$0.17 (the 20-day volume weighted average price ("VWAP") as of December 31, 2020).

As shown in the table above, the current indicated value of Mr. Broen's 2018, 2019 and 2020 long-term incentive grants are approximately 25% of the grant date value due to the decline in Common Share price over the period, representing a 75% decline in value

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 2020, 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 long-term incentive plans are designed such that RSUs vest one-third per year on the first, second and third

anniversaries of the grant date, Options have a term of seven years and Performance Awards have a term that expires on December 15th of the third year following the year the Performance Award is granted, 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. On May 9, 2018, the Board approved amendments to the Corporation's Equity Ownership and Retention Guidelines, including provisions for non-executive directors as well as permitting the use of deferred share units for directors to meet ownership guidelines. The Equity Ownership and Retention Guidelines were also amended to adjust the equity accumulations required as follows:

Position	Share Ownership Guideline
CEO	3x Base Salary
Other NEOs	2x Base Salary
Directors	3x Annual Cash Retainer

The determination of whether a director or executive officer meets the applicable guideline value is made at the end of each calendar year using the greater of: (a) the average closing price of Common Shares on the TSX for the final 60 days of the year; and (b) the acquisition cost of the applicable form of equity. The independent directors and executive officers have a period of five years from the date of the implementation of the policy on

March 18, 2014, or from the date of their appointment as an executive officer of the Corporation, whichever is later, to acquire the value required. See Appendix E – “*Equity Ownership and Retention Guidelines for Non-Executive Directors and Executive Officers*” for a detailed description of the guidelines. All executives and directors met our Equity Ownership and Retention Guidelines in 2020, with the exception of Mr. Wojcichowsky, who was appointed to the position of Vice President, Light Oil in 2020, and Mr. Festival, who joined the Board in 2020. Each has five years from his appointment date to meet the guidelines.

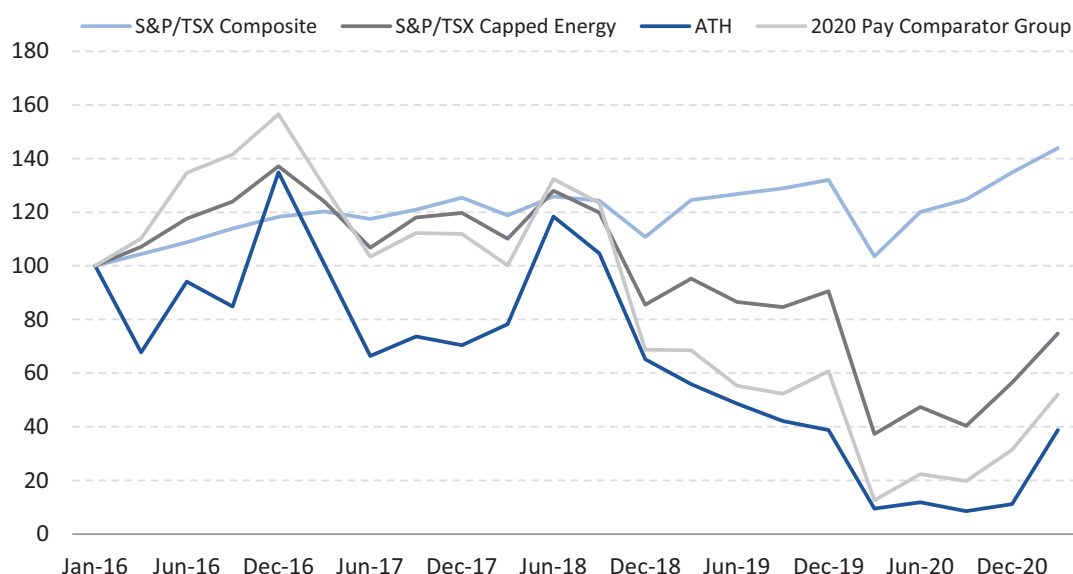
Clawback Policy

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, 2016 and assuming reinvestment of dividends, with the cumulative shareholder return of the S&P/TSX Energy Index and Athabasca's 2020 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.

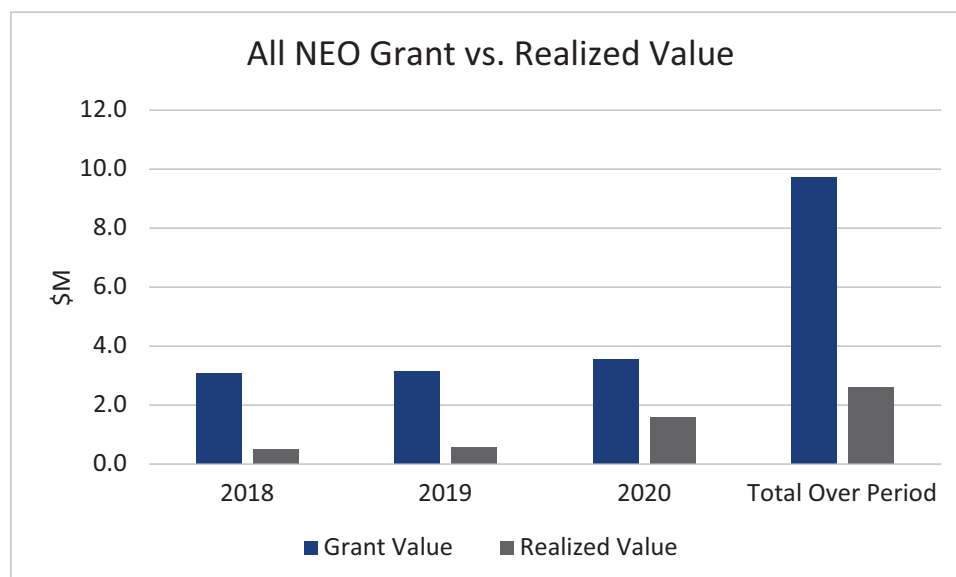
Grant Value versus Realized Value

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.

The chart below shows the difference between the grant-day value of total direct compensation versus the average combined realized pay for the Corporation’s NEOs for the period 2018 to 2020. The chart also illustrates the significance of variable or “at risk” compensation and the link between NEO compensation and the price of the Common Shares. Based on the price of the Common Shares as at December 31, 2020, the average NEO combined realized pay over the three-year period is approximately 26% of the grant-day pay opportunity of total direct compensation.

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.



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, 2020, December 31, 2019 and December 31, 2018. 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 reinstate the 10% base salary rollback on April 16, 2020.

Name and principal position	Year	Salary (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$) ⁽⁶⁾	Total compensation (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans ⁽⁵⁾			
Robert Broen, President and Chief Executive Officer	2020	486,515	1,560,000	—	1,967,600	—	N/A	38,350	4,052,465
	2019	472,727	1,403,920	156,018	520,000	—	N/A	52,000	2,604,666
	2018	515,000	1,560,008	—	710,700	—	N/A	56,650	2,842,358
Matthew Taylor, 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
	2018	315,000	630,020	—	189,800	—	N/A	34,650	1,169,470
Karla Ingoldsby, VP Thermal Oil ⁽⁸⁾	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
	2018	288,654	599,936	—	181,900	—	N/A	36,252	1,106,742
Michael Wojcichowsky, VP, Light Oil ⁽⁹⁾	2020	280,682	648,053 ⁽¹⁰⁾	7,514 ⁽¹¹⁾	176,100	—	N/A	21,216	1,133,565
	2019	266,667	286,120	—	122,800	—	N/A	29,333	704,920
	2018	253,750	244,814	—	123,000	—	N/A	27,912	649,477

Notes:

- (1) For 2019, a 10% salary rollback was implemented. For 2020, the executives elected to also reinstate the 10% rollback, effective April 16, 2020.
- (2) The value of share-based awards is based on the 20-day VWAP which was calculated on March 7, 2018 (\$1.09) for 2018 awards, on February 26, 2019 (\$0.92) for 2019 awards and on March 4, 2020 (\$0.39) for 2020 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	2020	2019	2018
Risk free interest rate	1.3%	1.6%	N/A
Estimated forfeiture rate	7.0%	7.0%	N/A
Expected life (years)	4.5	4.5	N/A
Dividend rate	0%	0%	N/A
Volatility	56.4%	57.0%	N/A
Grant date fair value (per Option)	\$0.41	\$0.40	N/A
Grant date fair value (per RSU)	\$0.19	\$0.85	\$1.16

- (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) The Corporation did not have any cash-based long-term incentive plans as at December 31, 2020.
- (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- Employee Registered Retirement 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.
- (7) Mr. Taylor was appointed as Chief Financial Officer effective November 6, 2019.

- (8) Ms. Ingoldsby was promoted to Vice President, Thermal Oil effective January 15, 2018.
- (9) Mr. Wojcichowsky was promoted to Vice President, Light Oil effective January 1, 2020.
- (10) This value represents grants to Mr. Wojcichowsky of: (a) 36,700 PSUs and 36,700 RSUs as a promotional grant; and (c) 1,538,400 RSUs and PSUs as his annual 2020 grant.
- (11) 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 C to the Circular. These plans consist of the Option Plan, the Performance Plan, and the 2015 RSU Plan. As of December 31, 2020, there were no RSUs outstanding under the 2010 RSU Plan and, since the implementation of the 2015 RSU Plan, the Corporation does not grant RSUs under the 2010 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 5% 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. The Omnibus Incentive Plan, with its evergreen limit of 10% of issued and outstanding Common Shares issuable, is intended to replace these Prior Plans for future grants of long-term equity incentives.

As at December 31, 2020, the total number of Common Shares issuable to insiders under all of its security based compensation arrangements was approximately 3.8% 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:

Plans	2018	2019	2020
Options	0.0%	0.3%	0.0%
Performance Awards ⁽¹⁾	0.6%	0.5%	0.9%
2015 RSUs	2.0%	1.9%	0.9%
Total	2.7% ⁽²⁾	2.7%	1.8%

Notes:

- (1) Assuming a payout multiplier of 111% for the 2017 PSUs, which vested on April 1, 2020.
- (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 Restricted Share Units held by each NEO as of December 31, 2020.

Name	Option-Based Awards ⁽¹⁾				Share-Based Awards ⁽³⁾		
	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	—	6,225,799	695,589	—
	2,771,400	1.50	01-Apr-2024	—			
	646,400	1.43	01-Apr-2023	—			
	541,700	2.07	01-Apr-2022	—			
	363,600	7.27	10-Sep-2021	—			
Matthew Taylor	205,400	0.8531	01-Apr-2026	—	2,616,999	291,390	—
	574,000	1.50	01-Apr-2024	—			
	262,900	1.43	01-Apr-2023	—			
	178,100	2.07	01-Apr-2022	—			
	9,800	7.27	10-Sep-2021	—			
Karla Ingoldsby	215,200	0.8531	01-Apr-2026	—	2,597,333	288,050	—
	56,900	1.07	01-Apr-2023	—			
	36,400	2.07	01-Apr-2022	—			
	22,000	5.91	01-Oct-2021	—			
	4,800	7.31	01-Jul-2021	—			
Michael Wojcichowsky	24,500	0.41	01-Feb-2027	—	2,008,465	213,332	—
	43,700	1.07	01-Apr-2023	—			
	38,400	2.07	01-Apr-2022	—			
	22,500	7.31	01-Jul-2021	—			

Notes:

- (1) See "Long-Term Equity Incentive Plans".
- (2) None of the Options granted pursuant to Revised Option Agreements (as defined in Appendix C—*Description of Long-Term Incentive Plans*) would have been in-the-money assuming a Common Share price of \$0.17 (the closing price of the Common Shares on the TSX on December 31, 2020).
- (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 \$0.17, being the closing price on the TSX on December 31, 2020. The value of unvested RSUs is based on the number of units multiplied by \$0.17, being the closing price on the TSX on December 31, 2020.

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, 2020, and the value of non-equity incentive plan compensation during the year ended December 31, 2020.

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	—	147,872	1,976,600
Matthew Taylor	—	60,924	457,100
Karla Ingoldsby	—	48,970	329,000
Michael Wojcichowsky	—	34,328	176,100

Notes:

- (1) The value vested during the year for in the money Option-based awards (Options) has been 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 (RSU 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 2020 annual bonuses earned by the NEOs for the year ended December 31, 2020.

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 Options, 2015 RSUs and Performance 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:

- 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 ("**Salary Allowance**") plus the average of any cash bonus paid in the previous year and an amount equal to 15% of his current annual salary for the loss of benefits, and

- 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 ("**Salary Allowance**") 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 Salary 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, 2020 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 – \$3,728,700; Mr. Taylor – \$1,385,300 and Ms. Ingoldsby – \$1,242,300; and Mr. Wojcichowsky – \$495,000.

Options, 2015 RSUs 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 C – *Description of Long-Term Equity Incentive Plans*.

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 C—*"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 Restricted Share Units if a Change of Control were to have occurred on December 31, 2020.

Name	Options Issued Prior to the Revised Option Agreement (\$) ⁽¹⁾	Options Issued Under the Revised Option Plan/ Agreement w/ Optionee Termination Notice (\$) ⁽²⁾	Options Cash Bonus (w/o Optionee Termination Notice) (\$) ⁽³⁾	Performance Award/ 2015 RSU Change of Control Award Value (w/ Service Provider Termination Notice) (\$)	Performance Award/ 2015 RSU Contingent Change of Control Award Value (w/o Service Provider Termination Notice) (\$)
Robert Broen	—	—	—	1,026,047	1,026,047
Matthew Taylor	—	—	—	431,740	431,740
Karla Ingoldsby	—	—	—	427,631	427,631
Michael Wojcichowsky	—	—	—	333,886	333,886

Notes:

- (1) None of the Options granted prior to the implementation of the Revised Option Agreements would have been in-the-money assuming a Common Share price of \$0.17 (the closing price of the Common Shares on the TSX on December 31, 2020).
- (2) None of the Options granted pursuant to Revised Option Agreements would have been in-the-money assuming a Common Share price of \$0.17 (the closing price of the Common Shares on the TSX on December 31, 2020).
- (3) No Option Cash Bonus would be payable on the Options granted, assuming a Change of Control price of \$0.17 (the closing price of the Common Shares on the TSX on December 31, 2020).

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, 2020.

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, 2020	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	7,045,233	1.3%	\$1.90	—
Performance Awards	8,340,300	1.6%	\$0.00	—
2015 RSUs	11,124,043	2.1%	\$0.00	—
Equity compensation plans approved by securityholders	26,509,576	5.0%	—	26,374,189 ⁽¹⁾
Equity compensation plans not approved by securityholders	—	—	—	—
Total	26,509,576	—	—	26,374,189

Notes:

- (1) Pursuant to the 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 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 and Special 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).

Appendix A

ATHABASCA OIL CORPORATION

Summary of Shareholder Rights Plan Agreement

SUMMARY OF PRINCIPAL TERMS

The following is a summary of the principal terms of the 2018 Rights Plan which is qualified in its entirety by reference to the text of the 2018 Rights Plan which is available on the Corporation's website at www.atha.com.

Issue of Rights

Pursuant to the 2018 Rights Plan, one right (a "**Right**") is issued and attached to each outstanding Common Share subject to the limitations set forth in the 2018 Rights Plan.

The Rights are not exercisable prior to the Separation Time (as defined below). After the Separation Time, each Right entitles the registered holder thereof to purchase from the Corporation one Common Share at an exercise price equal to three times the market price of a Common Share determined as at the Separation Time in accordance with the provisions of the 2018 Rights Plan, subject to adjustment and certain anti-dilution provisions (the "**Exercise Price**"). If a Flip-in Event occurs (as described below), each Right will be adjusted and entitle the registered holder to receive, upon payment of the Exercise Price, Common Shares having an aggregate market value equal to twice the Exercise Price.

Rights Certificates and Transferability

Before the Separation Time, the Rights will be evidenced by the certificates for the Common Shares (or by the book entry form registration for the associated Common Share if issued in book entry form) and will be transferable only together with, and will be transferred by a transfer of, the associated Common Shares and will not be transferable separate from such shares. At the Separation Time, the Rights will separate from the associated Common Shares and, from and after such time, the Rights will be evidenced by separate certificates for the Rights (or separate book entry registration) which will be transferable and traded separately from the shares.

Separation Time

The "**Separation Time**" is the close of business on the tenth trading day after the earliest to occur of the (i) the "**Stock Acquisition Date**", which is the first date of public announcement of facts indicating that a person has become an Acquiring Person (as defined below); (ii) the date of the commencement of, or first public announcement of the intent of any person (other than the Corporation or a subsidiary thereof) to make a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as each such term is defined below);

and (iii) the date on which a Permitted Bid or Competing Permitted Bid fails to qualify as such.

In any case, the Separation Time can be such later date determined by the Board. A "**Take-over Bid**" is an offer to acquire outstanding Common Shares and any other shares of the Corporation entitled to vote generally in the election of directors ("**Voting Shares**") of the Corporation or securities convertible into or exercisable or exchangeable for Voting Shares ("**Convertible Securities**") or both, where the securities subject to the offer, together with the securities "**Beneficially Owned**" (as defined below) by the person making the Take-over Bid (the "**Offeror**"), constitute 20% or more of the Corporation's outstanding Voting Shares.

Acquiring Person

In general, an "**Acquiring Person**" is a person who is the Beneficial Owner of 20% or more of the Corporation's Voting Shares. Excluded from the definition of "Acquiring Person" are the Corporation and its subsidiaries, and any person who becomes the Beneficial Owner of 20% or more of the Voting Shares as a result of one or more, or any combination, of the following:

- (a) an acquisition or redemption by the Corporation which reduces the outstanding number of Voting Shares;
- (b) an "**Exempt Acquisition**", meaning a share acquisition in respect of which the Board has waived the application of the 2018 Rights Plan, or which is only a temporary step in an acquisition transaction by the Corporation or subsidiary thereof or which is made pursuant to an amalgamation, merger, reorganization, arrangement, business combination or similar transaction (but not including a Take-over Bid) requiring shareholder approval;
- (c) a "**Permitted Bid Acquisition**", meaning an acquisition made pursuant to a Permitted Bid or Competing Permitted Bid;
- (d) a "**Pro Rata Acquisition**", meaning an acquisition as a result of a stock dividend, stock split or other event in respect of which securities are acquired on the same pro rata basis as all other holders of Voting Shares, or pursuant to a dividend reinvestment plan of the Corporation, or pursuant to any other event pursuant to which all holders of Voting Shares or Convertible Securities are entitled to receive Voting Shares or Convertible Securities of the same class or series (including as a result of a rights offering made to all holders of such securities on a pro rata basis); and

- (e) a **“Convertible Security Acquisition”**, meaning an acquisition of Voting Shares on the exercise of Convertible Securities acquired by such person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition.

Any person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares at the Effective Time is “grandfathered” (a **“Grandfathered Person”**) and excluded from the definition of “Acquiring Person”, but will lose such grandfathered status if such ownership drops below 20% or the Grandfathered Person acquires additional Voting Shares exceeding the person’s Beneficial Ownership as at the Effective Time by more than an additional 1% of the outstanding Voting Shares.

Also excluded from the definition of “Acquiring Person” are underwriters or members of banking or selling groups acting in connection with a distribution of securities by way of a prospectus or private placement.

Beneficial Ownership

In general, a person is deemed to “Beneficially Own” Voting Shares actually held by it and, in certain circumstances, Voting Shares held by others. Included are holdings of a person’s “Affiliates” (generally, a person that controls, is controlled by, or is under common control with another person) and “Associates” (generally, relatives that share the same residence). Also included are securities which the person or any of the person’s Affiliates or Associates has the right to acquire within 60 days (other than customary agreements with and between underwriters and banking group or selling group members with respect to a distribution of securities by way of a prospectus or private placement, and other than pledges of securities in the ordinary course of business).

A person is also deemed to Beneficially Own any securities Beneficially Owned (as described above) by any other person with whom the person is acting jointly or in concert (a **“Joint Actor”**). A person is a Joint Actor with anyone who is party to an agreement, arrangement or understanding with the first person, or an Affiliate or Associate thereof, for the purpose of acquiring or offering to acquire Voting Shares or Convertible Securities (subject to the same exclusions mentioned in the immediately preceding paragraph for underwriters, banking and selling group members and pledgees).

Institutional Shareholder Exemption

The definition of “Beneficial Ownership” contains several exclusions whereby a person is not considered to “Beneficially Own” a security. There are exemptions from the deemed Beneficial Ownership provisions for institutional shareholders acting in the ordinary course of business. These exemptions apply to:

- (a) an investment manager (**“Investment Manager”**) holding securities in the ordinary course of business in the performance of its duties for the account of any other person (a “Client”), including the acquisition or holding of securities for non-discretionary accounts held on behalf of the Client by a broker or dealer registered under applicable securities law;
- (b) a licensed trust company (**“Trust Company”**) acting as trustee or administrator or in a similar capacity in relation to estates of deceased or incompetent persons (an **“Estate Account”**) or in relation to other accounts (**“Other Accounts”**) and which holds the security in the ordinary course of its duties for such accounts;
- (c) a person established by statute (**“Statutory Body”**) whose ordinary business or activity includes the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies;
- (d) the administrator or the trustee (**“Administrator”**) of one or more pension plans (a **“Plan”**) registered under applicable law; and
- (e) a Crown agent or agency (**“Crown Agent”**).

Furthermore, a person will not be deemed to “Beneficially Own” a security because: (i) the person is a Client of the same Investment Manager, an Estate Account or an Other Account of the same Trust Company, or Plan with the same Administrator as another person or Plan on whose account the Investment Manager, Trust Company or Administrator, as the case may be, holds such security, or (ii) the person is the Client of an Investment Manager, Estate Account, Other Account or Plan and the security is owned at law or in equity by the Investment Manager, Trust Company or Plan, as the case may be.

The foregoing exemptions only apply so long as the Investment Manager, Trust Company, Statutory Body or Crown Agent is not making or has not announced an intention to make a Take-over Bid and is not a Joint Actor of any other person who is making or has announced an intention to make a Take-over Bid, other than an offer to acquire Voting Shares or Convertible Securities pursuant to a distribution by the Corporation or by means of ordinary market transactions through the facilities of a stock exchange or over-the-counter market.

Permitted Lock-up Agreement Exemption

A person will not be deemed to “Beneficially Own” any security where the holder of such security has agreed to deposit or tender such security pursuant to a Permitted Lock-up Agreement (as defined below) to a Take-over Bid made by such person or such person’s Affiliates or Associates or a Joint Actor, or such security has been deposited or tendered pursuant to a Take-over Bid made by such person or such person’s Affiliates, Associates or Joint Actors until the earliest time at which any such tendered security is accepted unconditionally for payment or is taken up or paid for.

A “**Permitted Lock-up Agreement**” is essentially an agreement between a person and one or more holders of Voting Shares (the terms of which are publicly disclosed and a copy of the agreement is made available to the public within the time frames set forth in the definition of Permitted Lock-up Agreement) pursuant to which each holder (a “**Locked-up Person**”) agrees to deposit or tender Voting Shares and /or Convertible Securities to a Take-over Bid (the “**Lock-up Bid**”) and which further provides that such agreement permits the Locked-up Person to withdraw its Voting Shares and/or Convertible Securities in order to deposit or tender them to another Take-over Bid or support another transaction:

- (a) at a price or value that exceeds the price under the Lock-up Bid, or (ii) that contains an offering price that exceeds the offering price in the Lock-up Bid by as much as or more than a specified amount not greater than 7% of the offering price in the Lock-up Bid; or
- (b) if the Lock-up Bid is for less than 100% of the Voting Shares or Convertible Securities held by Independent Shareholders, and the price or value of the consideration offered under the other Take-over Bid or transaction is not less than that offered under the Lock-up Bid, the number of Voting Shares or Convertible Securities to be purchased under such other Take-over Bid or transaction (i) exceeds the number of Voting Shares or Convertible Securities the Offeror has offered to purchase under the Lock-up Bid, or (ii) exceeds by as much as or more than a specified number not greater than 7% of the number of Voting Shares or Convertible Securities offered to be purchased by the Offeror under the Lock-up Bid.

The 2018 Rights Plan therefore requires that a person making a Take-over Bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder in order to avoid being deemed the Beneficial Owner of the Common Shares subject to the lock-up agreement and potentially triggering the provisions of the 2018 Rights Plan.

A Permitted Lock-up Agreement may contain a right of first refusal or require a period of delay to give the person who made the Lock-up Bid an opportunity to match a higher price in

another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares and/or Convertible Securities so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares and/or Convertible Securities during the period of the other Take-over Bid or transaction. Finally, under a Permitted Lock-up Agreement no “break up” fees, “top up” fees, penalties, expenses or other amounts that exceed in aggregate the greater of (i) 2.5% of the price or value of the consideration payable under the Lock-up Bid; and (ii) 50% of the amount by which the price or value of the consideration received by a Locked-up Person under another Take-over Bid or transaction exceeds what such Locked-up Person would have received under the Lock-up Bid; can be payable by such Locked-up Person if the Locked-up Person fails to deposit or tender Voting Shares and/or Convertible Securities to the Lock-up Bid or withdraws Voting Shares and/or Convertible Securities previously tendered thereto in order to deposit such Voting Shares and/or Convertible Securities to another Take-over Bid or support another transaction.

Flip-in Event

A Flip-in Event occurs when any person becomes an Acquiring Person. In the event that, prior to the Expiration Time, a Flip-in Event which has not been waived by the Board occurs (see “Redemption, Waiver and Termination” below), each Right (except for Rights Beneficially Owned or which may thereafter be Beneficially Owned by an Acquiring Person or a transferee of such a person, which Rights will become null and void) shall constitute the right to purchase from the Corporation, upon exercise thereof in accordance with the terms of the 2018 Rights Plan, that number of Common Shares having an aggregate market value on the date of the Flip-in Event equal to twice the Exercise Price, on payment of the Exercise Price (subject to anti-dilution adjustments set forth in the Rights Plan).

For example, if at the time of the Flip-in Event the Exercise Price is \$150 and the market price of the Common Shares is \$50, the holder of each Right would be entitled to purchase Common Shares having an aggregate market price of \$300 (that is, 6 Common Shares) for \$150 (that is, a 50% discount from the market price). Thus, the potential exercise of the Rights following a Flip-in Event creates the threat of substantial economic and voting dilution to the Acquiring Person’s Beneficial Ownership of Voting Shares.

Permitted Bid and Competing Permitted Bid

A Take-over Bid that qualifies as a Permitted Bid or Competing Permitted Bid will not trigger the exercise of the Rights.

A “**Permitted Bid**” is a Take-over Bid made by way of a Take-over Bid circular and which complies with the following additional provisions:

- (a) the Take-over Bid is made to all holders of Voting Shares as registered on the books of the Corporation other than the Offeror;
- (b) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified provision that no Voting Shares shall be taken up or paid for pursuant to the Take-over Bid:
 - (i) prior to the close of business on the date that is not less than 105 days following the date of the Take-over Bid or such shorter minimum period that a take-over bid that is not exempt from any of the requirements of applicable securities laws must remain open for deposits of securities thereunder;
 - (ii) then only if, at the close of business on the date Voting Shares are first taken up or paid for under such Take-over Bid, more than 50% of the Voting Shares held by Independent Shareholders have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
- (c) the Take-over Bid contains an irrevocable and unqualified provision that:
 - (i) unless the Take-over Bid is withdrawn, Voting Shares may be deposited pursuant to such Take-over Bid at any time during the period of time between the date of the Take-over Bid and the date on which the Voting Shares subject to the Take-over Bid may be taken up and paid for and that any Voting Shares deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (ii) if, on the date on which Voting Shares may be taken up and paid for, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn, the Offeror will make a public announcement of that fact and the Take-over Bid will remain open for deposits and tenders of Voting Shares for not less than 10 days from the date of such public announcement.

A Take-over Bid that qualified as a Permitted Bid shall cease to be a Permitted Bid at any time and as soon as such time as when such Take-over Bid ceases to meet any or all of the provisions of the definition of a “Permitted Bid”.

“**Independent Shareholders**” generally means holders of Voting Shares other than any Acquiring Person, any Offeror, any Affiliate, Associate or Joint Actor of an Acquiring Person or

Offeror, or any employee benefit plan, stock purchase plan, deferred profit sharing plan or similar plan or trust for the benefit of employees of the Corporation or its subsidiaries so long as the beneficiaries of the plan or trust direct how Voting Shares will be voted and whether such shares will be tendered to a Take-over Bid.

A “**Competing Permitted Bid**” is a Take-over Bid that is made after a Permitted Bid or another Competing Permitted Bid (a “**Prior Bid**”) has been made but prior to its expiry, and satisfies all the requirements of a Permitted Bid as described above and contains, and the take-up and payment for securities tendered or deposited thereunder is subject to, an irrevocable and unqualified condition that no Voting Shares will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to applicable securities laws after the date of the Take-over Bid constituting the Competing Permitted Bid.

Redemption, Waiver and Termination

- (a) Redemption of Rights on Approval of Holders of Voting Shares and Rights. The Board acting in good faith may, after having obtained the prior approval of the holders of Voting Shares or Rights, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of \$0.00001 per Right, appropriately adjusted for anti-dilution as provided in the Rights Plan (the “**Redemption Price**”).
- (b) Waiver of Inadvertent Acquisition. The Board acting in good faith may waive the application of the 2018 Rights Plan in respect of the occurrence of any Flip-in Event if the Board has determined that a person became an Acquiring Person under the 2018 Rights Plan by inadvertence and without any intent or knowledge that it would become an Acquiring Person, but the waiver must be on the condition that the Acquiring Person reduces its Beneficial Ownership of Voting Shares within 30 days, or such earlier or later date as the Board may determine, such that the person is no longer an Acquiring Person.
- (c) Deemed Redemption. In the event that a person who has made a Permitted Bid, Competing Permitted Bid or a Take-over Bid in respect of which the Board has waived or has deemed to have waived the application of the Rights Plan consummates the acquisition of the Voting Shares, the Board shall be deemed to have elected to redeem the Rights for the Redemption Price.
- (d) Discretionary Waiver with Mandatory Waiver of Concurrent Bids. The Board acting in good faith may, prior to the occurrence of a Flip-in Event that would occur by reason of a Take-over Bid made by means of a take-over bid circular

to all holders of record of Voting Shares (a “qualified bid”), waive the application of the 2018 Rights Plan to such Flip-in Event upon prior written notice to the Rights Agent. However, if the Board waives the application of the 2018 Rights Plan for any such qualified bid, the Board shall be deemed to have waived the application of the 2018 Rights Plan in respect of any other Flip-in Event occurring by reason of any other qualified bid made prior to the expiry of any bid for which the waiver is, or is deemed to have been, granted.

- (e) Discretionary Waiver respecting Acquisition not by Take-over Bid Circular. The Board acting in good faith may, with the prior consent of the holders of Voting Shares, determine, at any time prior to the occurrence of a Flip-in Event as to which the application of the 2018 Rights Plan has not been waived, if such Flip-in Event would occur by reason of an acquisition of Voting Shares otherwise than pursuant to a Take-over Bid made by means of a take-over bid circular to holders of Voting Shares and otherwise than by inadvertence in the circumstances described in (ii) above, to waive the application of the 2018 Rights Plan to such Flip-In Event. However, if the Board waives the application of the 2018 Rights Plan, the Board shall extend the Separation Time to a date subsequent to and not more than 10 Business Days following the meeting of shareholders called to approve such a waiver.
- (f) Redemption of Rights on Withdrawal or Termination of Bid. Where a Take-over Bid that is not a Permitted Bid or Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time and prior to the occurrence of a Flip-in Event, the Board may elect to redeem all the outstanding Rights at the Redemption Price. In such event, the Rights Plan will continue to apply as if the Separation Time had not occurred and one Right will remain attached to each Common Share as provided for in the Rights Plan.
- (g) Waiver with Divestiture Arrangement. The Board may, before the 10th trading day after a Stock Acquisition Date or such later trading day as the Board may determine, by written notice to the Rights Agent, waive the application of the 2018 Rights Plan to the related Flip-in Event provided the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or entered into a contractual arrangement with the Corporation to do so within 15 days or such earlier or later date as the Board may determine) such that at the time the waiver becomes effective the person is no longer an Acquiring Person. In such event, the Flip-in Event shall be deemed not to have occurred.

If the Board is deemed to have elected or elects to redeem the Rights as described above, the right to exercise the Rights will thereupon, without further action and without notice, terminate

and the only right thereafter of the holders of Rights is to receive the Redemption Price. Within 10 business days of any such election or deemed election to redeem the Rights, the Corporation will notify the holders of the Voting Shares or, after the Separation Time, the holders of the Rights.

Anti-dilution Adjustments

The Exercise Price of a Right, the number and kind of shares subject to purchase upon exercise of a Right, and the number of Rights outstanding, will be adjusted in certain events, including:

- (a) if there is a dividend payable in Voting Shares or Convertible Securities (other than pursuant to any optional stock dividend program or dividend reinvestment plan or a dividend payable in Voting Shares in lieu of a regular periodic cash dividend) on the Common Shares, or a subdivision or consolidation of the Common Shares, or an issuance of Common Shares or Convertible Securities in respect of, in lieu of or in exchange for Common Shares; or
- (b) if the Corporation fixes a record date for the distribution to all holders of Common Shares of certain rights or warrants to acquire Common Shares or Convertible Securities, or for the making of a distribution to all holders of Common Shares of evidences of indebtedness or assets (other than regular periodic cash dividends or stock dividends payable in Common Shares) or rights or warrants.

Supplements and Amendments

The Corporation may, without the consent of the holders of Common Shares or Rights, make amendments to the 2018 Rights Plan (i) to correct any clerical or typographical error, or (ii) as required to maintain the validity or effectiveness of the 2018 Rights Plan as a result of any change in any applicable legislation, rules or regulation.

Subject to the above exceptions, after the 2018 Rights Plan is approved by the shareholders of the Corporation at the Meeting, any supplement, amendment, deletion, variation, restatement or rescission of any provision of the 2018 Rights Plan and the Rights is subject to the prior approval of the holders of Common Shares, or, after the Separation Time, the holders of the Rights.

Rights Agent

The 2018 Rights Plan contains customary provisions concerning the duties, liabilities, indemnification and replacement of the Rights Agent.

Proposed Amendment to 2018 Rights Plan

At the Meeting, shareholders are being asked to approve amendments to the 2018 Rights Plan that will provide that to remain in effect the 2018 Rights Plan must be reconfirmed by a resolution passed by a majority of the votes cast by holders (other than any holder who does not qualify as an Independent Shareholder) of Voting Shares (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed), who vote in respect of reconfirmation of the 2018 Rights Plan, as amended, at the third and sixth annual meetings of the Corporation following the Corporation's annual and special meeting held in 2018. If the 2018 Rights Plan is not so ratified, or

if it is not presented to the shareholders for ratification, at any such meeting, the 2018 Rights Plan and all outstanding Rights shall terminate and be void and of no further force and effect from and after the date of termination of the annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived) prior to the date upon which the 2018 Rights Plan would otherwise terminate. If the 2018 Rights Plan is reconfirmed at the annual meeting in 2024 (i.e., the sixth annual meeting following the Corporation's meeting held in 2018), then the 2018 Rights Plan will remain in place until termination of the annual meeting in 2027, unless otherwise amended.

Appendix B

ATHABASCA OIL CORPORATION OMNIBUS LONG TERM INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of the Plan is to provide the Corporation with a mechanism to attract, retain and motivate qualified Service Providers of the Athabasca Group, whose present and potential contributions are important to the success of the Athabasca Group, by offering them an opportunity to participate in the Corporation's future performance.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

"All or Substantially All of the Assets" means greater than 90% of the aggregate of the net working interest reserves and best estimate contingent resources of the Corporation and its Subsidiaries, on a consolidated basis;

"Athabasca Group" means, collectively, the Corporation, 1686303 Alberta Ltd., AOC Leismer Corner Partnership, AOC Dover West Corp., AOC Dover West Partnership, AOC Grosmont Ltd., AOC Grosmont Partnership, AOC Carbonates Ltd., AOC Carbonates Partnership, AOC Birch Corp., AOC Birch Partnership, AOC (ELE) Corp., AOC Hangingstone Partnership, AOC Light Oil Corp., AOC Light Oil Partnership, AOC Kaybob Corp., AOC Kaybob Partnership, AOC Simonette Corp., AOC Simonette Partnership, any entity that is a Subsidiary of the Corporation from time to time, and any other entity designated by the Board from time to time as a member of the Athabasca Group for the purposes of this Plan (and, for greater certainty, including any successor entity of any of the aforementioned entities);

"Award" means any Option, Restricted Share Unit, Performance Share Unit, or Other Share Based Awards granted under the Plan;

"Award Agreement" means a written notice from the Corporation to a Participant or a signed, written agreement between a Participant and the Corporation, in a form approved by the Board, evidencing the terms and conditions on which an Award has been granted under the Plan and which need not be identical to any other such notices or agreements;

"Blackout Period" means a trading blackout period formally imposed by the Corporation pursuant to its internal trading

policies as a result of the bona fide existence of undisclosed material information. A Blackout Period does not include any period during which the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities;

"Board" means the board of directors of the Corporation;

"Business Day" means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Calgary, Alberta are open for commercial business during normal banking hours;

"Cause" means:

- (a) with respect to a particular Service Provider who is an employee:
 - (i) "cause" as such term is defined in the Award Agreement or the Service Provider's written agreement with the Corporation or an entity of the Athabasca Group; or
 - (ii) in the event that (i) does not apply, then "cause" shall refer to circumstances where an employer can terminate an individual's employment or engagement without notice or payment whatsoever;
- (b) with respect to a particular Service Provider who is not an employee:
 - (i) "cause" as such term is defined in the Award Agreement or the Consultant's written services agreement with the Corporation or an entity of the Athabasca Group; or
 - (ii) in the event that (i) does not apply, then "cause" shall refer to circumstances, as described in the written agreement between the Corporation or an entity of the Athabasca Group and the Service Provider, or as provided for pursuant to applicable law, where the Corporation or an entity of the Athabasca Group may terminate the Service Provider's engagement without notice or payment whatsoever;

"Change of Control" means:

- (a) a successful takeover bid; or
- (b) (i) any change in the beneficial ownership or control of the outstanding securities or other interests of the Corporation which results in:
 - (A) a person or group of persons "acting jointly or in concert" (within the meaning of MI 62-104); or

- (B) 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

(ii) 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

- (c) Incumbent Directors no longer constituting a majority of the Board; or
- (d) 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 security holdings, 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 (b)(ii) above was applicable to the transaction); or
- (e) 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 this Plan;

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which would be accelerated upon a Change of Control, a transaction will not be deemed a Change of Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as "a change in control event" within the meaning of Section 409A of the Code.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time, or any successor statute or statutes thereto. Reference to any specific Code section shall include any successor section;

"Committee" means the Compensation and Governance Committee or such other committee appointed by the Board to administer this Plan, or if no committee is appointed, the Board;

"Consultant" means an individual consultant or an employee or director of a consultant entity, other than a Participant that is an employee of a member of the Athabasca Group, who:

- (a) is engaged to provide services on a bona fide basis to the Corporation or a Subsidiary of the Corporation, other than services provided in relation to a distribution of securities of the Corporation or a Subsidiary of the Corporation;

- (b) provides the services under a written contract with the Corporation or a Subsidiary of the Corporation; and

- (c) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary of the Corporation;

"Corporation" means Athabasca Oil Corporation, and any successor thereto;

"Date of Grant" means, for any Award, the date specified by the Board at the time it grants the Award (which, for greater certainty, shall be no earlier than the date on which the Board approves the grant of such Award) or if no such date is specified, the date upon which the Award was approved by the Board;

"Effective Date" means the effective date of the Plan, being [May 5], 2021;

"ESL" means the employment standards legislation, as amended or replaced, applicable to a Participant who is an employee of the Athabasca Group;

"Exchange" means the stock exchange(s) on which the Shares are or may be listed from time to time;

"Exercise Notice" means a notice in writing, signed by a Participant and stating the Participant's intention to exercise a particular Option

"Exercise Price" means the price at which a Share may be purchased pursuant to the exercise of an Option as specified in the Award Agreement;

"Expiry Date" means the expiry date specified in the Award Agreement (which shall not be later than the tenth (10th) anniversary of the Date of Grant) or, if not so specified, means the tenth (10th) anniversary of the Date of Grant;

"Fair Market Value" with respect to a Share, as at any date, means the volume weighted average of the prices at which the Shares traded on the TSX (or, if the Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one Exchange, on such Exchange on which the majority of the trading volume and value of the Shares occurs) for the five (5) trading days on which the Shares traded on the said Exchange immediately preceding such date. In the event that the Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;

"including" means including without prejudice to the generality of any description, definition, term or phrase preceding that word, and the word "include" and its derivatives will be construed accordingly;

"Incumbent Directors" means any member of the Board who was a member of the Board at the Effective Date and any

successor to an Incumbent Director who was recommended or elected or appointed to succeed any Incumbent Director by the affirmative vote of the Board, including a majority of the Incumbent Directors then on the Board, prior to the occurrence of the transaction, transactions, elections or appointments giving rise to a Change of Control;

“In-the-Money Amount” with respect to an Option as of any day is the amount, if any, by which the Fair Market Value of a Share on such date exceeds the Exercise Price;

“Insider” means an “insider” as defined by the TSX from time to time in its rules and regulations governing Security Based Compensation Arrangements and other related matters;

“MI 62-104” means *Multilateral Instrument 62-104 – Take-Over Bids and Issuer Bids*, as amended from time to time;

“NI 45-106” means *National Instrument 45-106 Prospectus and Registration Exemptions*, as amended from time to time;

“Option” means a right to purchase Shares under the Plan;

“Other Share-Based Award” means any right granted under Article 7;

“Participant” means a Service Provider to whom an Award has been granted under the Plan and their Permitted Assigns;

“Participant’s Employer” means the entity of the Athabasca Group which employs the employee or, in the case of a Participant that has ceased to be an employee, which employed the Participant immediately prior to such cessation;

“Performance Measures” means performance measures expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, an entity of the Athabasca Group, a division of the Corporation or entity of the Athabasca Group, or an individual, or may be applied to the performance of the Corporation or an entity of the Athabasca Group relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Board;

“Performance Share Unit” or **“PSU”** means any right granted under Section 6.1;

“Period of Absence” means the portion of continuous absence from active employment or active service with the Corporation or any entity of the Athabasca Group, as a result of a sick, disability, maternity or parental leave or any other form of leave approved by the Corporation, in each case that is in excess of the first 90 consecutive days of such absence;

“Permitted Assign” has the meaning assigned to that term in NI 45-106;

“Person” includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“Plan” means this Omnibus Long Term Incentive Plan, as may be amended or amended and restated from time to time;

“Restricted Share Unit” or **“RSU”** means a right to receive a Share or a cash payment equal to the Market Price of a Share granted under Section 6.1;

“Securities Laws” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“Security Based Compensation Arrangement” has the meaning given to that term in the Company Manual of the TSX, as amended from time to time;

“Service Provider” means an officer or employee of the Athabasca Group or a Consultant engaged to provide services to a member or members Athabasca Group for an initial, renewable or extended period intended to be 12 months or more;

“Share” means a common share in the capital of the Corporation as constituted on the Effective Date or after an adjustment contemplated by Article 10, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“Subsidiary” has the meaning ascribed thereto in the *Securities Act* (Alberta);

“Takeover bid” means a “take-over bid” as defined in MI 62-104 pursuant to which the “offeror” would as a result of such takeover bid, if successful, beneficially own, directly or indirectly, in excess of 50% of the outstanding Shares;

“Termination Date” means the date that is the later of:

- (a) the date designated by the member of the Athabasca Group who employs or engages the Service Provider as the effective date of termination of the Service Provider’s employment or engagement with the Athabasca Group;
- (b) the date that the Service Provider ceases to actually and actively perform services for the Athabasca Group; or
- (c) if and to the extent required pursuant to the minimum applicable requirements of ESL, the last day of the Service Provider’s statutory notice period;

provided that, the Termination Date will not be extended by any period of contractual or common law notice of termination,

compensation in lieu of such notice, severance pay or other damages paid or payable to the Service Provider, under contract or common law, in or in respect of a period which follows the last day that the Participant actually and actively performs services for the Athabasca Group. The foregoing shall apply regardless of whether the Service Provider's employment or service arrangement with the Athabasca Group is terminated (A) by the Service Provider or by an entity of the Athabasca Group; (B) with or without Cause, (C) with or without adequate notice (or compensation in lieu thereof); and/or (D) in a manner that is considered lawful or unlawful;

"TSX" means the Toronto Stock Exchange;

"U.S." means the United States of America; and

"U.S. Taxpayer" shall mean a Participant who, with respect to an Award, is subject to taxation under the applicable U.S. tax laws.

2.2 Interpretation

- (a) Whenever the Board or the Committee exercises discretion in the administration of the Plan, the term "discretion" means the sole and absolute discretion of the Board or the Committee, as the case may be.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of the Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

Subject to Section 3.2, the Plan will be administered by the Board who has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;

- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of different types of Awards) in such amounts, to such Persons and, subject to the provisions of the Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Corporation, including any conditions relating to the attainment of specified Performance Measures;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Board may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Board may consider appropriate in accordance with the provisions of the Plan;
- (e) construe and interpret the Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and
- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Plan.

3.2 Delegation to Committee

To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee all or any of the powers conferred on the Board pursuant to the Plan, including the power to sub-delegate to any specified officer(s) of the Corporation or an entity of the Athabasca Group all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any officers or employees to whom authority has been delegated pursuant to Subsection 3.2 arising out of or in connection with the administration or interpretation of the Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Discretionary Relief

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

3.5 Eligibility

All Service Providers are eligible to participate in the Plan, subject to Article 9. Eligibility to participate does not confer upon any Service Provider any right to receive any grant of an Award pursuant to the Plan. The extent to which any Service Provider is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Board. The Board shall determine in its sole discretion whether any Person is a bona fide Service Provider.

3.6 Compliance with Securities Laws

Any Award granted under the Plan shall be subject to the requirement that, if at any time the Corporation shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of an Exchange (if then listed on an Exchange) and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies and shall have no claim or cause of action against the Corporation or any of its officers or directors as a result of any failure by the Corporation to obtain or to take any steps to obtain any such registration, qualification, consent or approval.

3.7 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 10 and any subsequent amendment to the Plan, the aggregate number

of Shares reserved for issuance pursuant to Awards granted under the Plan, together with any other Security Based Compensation Arrangement, shall not exceed **10%** of the aggregate number of issued and outstanding Shares from time to time.

- (b) To the extent any Awards (or portion(s) thereof) under the Plan terminate or are cancelled for any reason prior to exercise or settlement in full or are settled in cash or Shares acquired on the Exchange, the Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under the Plan and will again become available for issuance pursuant to the exercise or settlement of Awards granted under the Plan.
- (c) Any 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 shall not reduce the number of Shares available for issuance pursuant to the exercise or settlement of Awards granted under the Plan. Any Shares issued by the Corporation pursuant to an inducement award in accordance with Section 613(c) of the TSX Company Manual shall not reduce the number of Shares available for issuance pursuant to the exercise or settlement of Awards granted under this Plan.

3.8 Limits on Grants of Awards

Notwithstanding anything in the Plan:

- (a) The aggregate number of Shares:
 - (i) issuable to Insiders at any time, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the issued and outstanding Shares; and
 - (ii) issued to Insiders within any one year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the issued and outstanding Shares;
- (b) Notwithstanding Section 3.8(a), the acquisition of Shares by the Corporation for cancellation shall not constitute non-compliance with Section 3.8(a) for any Awards outstanding prior to such purchase of Shares for cancellation.
- (c) The aggregate number of Shares issuable to any one Participant under all of the Corporation's Security Based Compensation Arrangements shall not exceed ten percent (10%) of the issued and outstanding Shares.

3.9 Award Agreements

Each Award under the Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of the Plan and will contain such provisions

as are required by the Plan and any other provisions that the Board may direct. The Board shall authorize and empower any director or officer of the Corporation to execute and deliver, for and on behalf of the Corporation, an Award Agreement to each Participant.

3.10 Permitted Assigns

Awards may be transferred by Service Providers to a Permitted Assign of the Service Provider, or as may otherwise be approved by the Board.

3.11 Non-Transferability of Awards

Except as permitted under Section 3.10 or as otherwise permitted by the Board, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect.

ARTICLE 4 OPTIONS

4.1 Grant of Options

The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Service Provider. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Board will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Fair Market Value on the Date of Grant. If the Service Provider is a U.S. Taxpayer, the Exercise Price must be not less than the greater of (i) the Fair Market Value on the Date of Grant and (ii) the closing price of such Shares on the Exchange (and if listed on more than Exchange, and the closing price on another Exchange is higher, then the highest of such closing prices) on the Business Day immediately prior to the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in the Plan, each Option expires on its Expiry Date.

4.4 Vesting

- (a) Each Option will vest and become exercisable as set forth in the Participant's Award Agreement provided that if the Participant's Termination Date is prior to an applicable vesting date, the Participant's Option will be subject to Article 9.

- (b) Once a portion of an Option becomes vested, it shall remain vested and shall be exercisable, in whole or in part, until expiration or termination of the Option, unless otherwise provided in this Plan or approved by the Board. The Board has the right to accelerate the date upon which any portion of any Option becomes exercisable.
- (c) The Board may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in Section 4.4, such as performance-based vesting conditions.

4.5 Exercise of Options and Payment of Exercise Price

Subject to the provisions of the Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation. Unless otherwise specified by the Board at the time of granting an Option, the Exercise Notice must be accompanied by payment in full of the purchase price for the Shares to be purchased. The Exercise Price must be fully paid by certified cheque, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Board, which may include, through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option.

No Shares will be issued or transferred until full payment therefor has been received by the Corporation.

4.6 Surrender of Options

In lieu of exercising a vested Option, the Participant may surrender all or part of the Option for cancellation in consideration for the In-the-Money Amount of the Option. In connection with the surrender of the vested Option or portion of such vested Option, the Participant may request that satisfaction of the In-the-Money Amount be made in the form of (i) a lump sum cash payment (a "**Cash Amount**"), (ii) the issue of such number of Shares having an aggregate Market Price equal to the In-the-Money Amount rounded down to the nearest whole number or (iii) a combination of both. Notwithstanding that a Participant may have elected to receive a Cash Amount for the surrender of the Option or a portion thereof, the Corporation may choose instead to satisfy the Cash Amount by the issue of such number of Shares having an aggregate Market Price equal to the Cash Amount rounded down to the nearest whole number. Upon settlement of the In-the-Money Amount of any surrendered Option or portion thereof, such Option or portion thereof shall be cancelled forthwith and in accordance with Section 3.7(b), the Shares subject to the surrendered Option (or portion thereof) shall be added back to the number of Shares reserved for issuance under this Plan.

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Grant of RSUs

The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant RSUs to any Service Provider. The terms and conditions of each RSU grant shall be evidenced by an Award Agreement.

5.2 Vesting of RSUs

The Board shall have the authority to determine at the time of grant, in its sole discretion, the duration of the vesting period and other vesting terms applicable to the grant of RSUs, except that if the Board has not made such determination, RSUs (and any corresponding dividend equivalents) will vest and be 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 Date of Grant (computed in each case to the nearest whole RSU).

5.3 Delivery of Shares or Payment in Cash

Unless otherwise specified in the Award Agreement, as soon as practicable following the expiry of the applicable vesting period, the Corporation shall, in its sole and absolute discretion, have the option of settling such vested RSUs by any of the following methods or a combination of such methods:

- (a) issue one fully paid and non-assessable Share pursuant to the RSU for each vested RSU s to the Participant;
- (b) a cash payment equal to the number of vested RSUs multiplied by the Fair Market Value of a Share on the applicable vesting date; or
- (c) Shares acquired on the Exchange with a value equal to the number of vested RSUs multiplied by the Fair Market Value of a Share on the applicable vesting date.

The Corporation shall not determine whether the payment method shall take the form of cash or Shares until the applicable vesting, or some reasonable time prior thereto. A Participant shall not have any right to demand, be paid in, or receive Shares in respect of the RSUs. Notwithstanding any election by the Corporation to settle the vested RSUs, or portion thereof, in Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the Participant shall not have the right, at any time to enforce settlement in the form of Shares of the Corporation.

Any amount payable to a Participant in respect of vested RSUs shall be paid to the Participant as soon as practicable following the applicable vesting date and in any event within thirty (30) days of the vesting date.

The payment date for any RSUs in respect of which the Board may elect to settle in cash or Shares acquired on the Exchange shall not extend beyond December 31 of the third calendar year following the calendar year in which the services giving rise to the Award were rendered.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Grant of PSUs

The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant PSUs to any Service Provider. The terms and conditions of each PSU grant shall be evidenced by an Award Agreement. Each PSU will consist of a right to receive a Share or cash payment in accordance with Section 6.4, upon the achievement of such Performance Goals during such performance periods as the Board will establish, subject to the Participant continuing to be a Service Provider.

6.2 Terms of PSUs

The Performance Measures to be achieved during any performance period, the length of any performance period, the amount of any PSU granted and the termination of a Participant's employment or engagement will be determined by the Board and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Measures and Vesting Conditions

The Board will establish Performance Measures prior to the Date of Grant to which such Performance Measures pertain. The Performance Measures may be based upon the achievement of corporate, divisional or individual goals, and may be applied relative to performance relative to an index or comparator group, or on any other basis determined by the Board. For greater certainty, the Performance Measures may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur). The performance multiplier shall not exceed 200%. Additionally, the Board shall have the authority to determine at the time of grant, in its sole discretion, the duration of the vesting period and other vesting terms applicable to the grant of PSUs.

6.4 Delivery of Shares or Payment in Cash

Unless otherwise specified in the Award Agreement, as soon as practicable following the expiry of the applicable vesting period, the Corporation shall, in its sole and absolute discretion, have the

option of settling such vested PSUs by any of the following methods or a combination of such methods:

- (a) issue one fully paid and non-assessable Share for each vested PSU to the Participant;
- (b) a cash payment equal to the number of vested PSUs multiplied by the Fair Market Value of a Share on the applicable vesting date; or
- (c) Shares acquired on the Exchange with a value equal to the number of vested PSUs multiplied by the Fair Market Value of a Share on the applicable vesting date.

The Corporation shall not determine whether the payment method shall take the form of cash or Shares until the applicable vesting, or some reasonable time prior thereto. A Participant shall not have any right to demand, be paid in, or receive Shares in respect of the PSUs. Notwithstanding any election by the Corporation to settle the vested PSUs, or portion thereof, in Shares, the Corporation reserves the right to change its election in respect thereof at any time up until payment is actually made, and the Participant shall not have the right, at any time to enforce settlement in the form of Shares of the Corporation.

Any amount payable to a Participant in respect of vested PSUs shall be paid to the Participant as soon as practicable following the applicable vesting date and in any event within thirty (30) days of the vesting date.

The payment date for any PSUs in respect of which the Board may elect to settle in cash or Shares acquired on the Exchange shall not extend beyond December 31 of the third calendar year following the calendar year in which the services giving rise to the Award were rendered.

ARTICLE 7 OTHER SHARE-BASED AWARDS

7.1 Grant of Other Share-Based Awards

The Board may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, grant Other Share-Based Awards to any Participant. The terms and conditions of each Other Share-Based Award grant shall be evidenced by an Award Agreement. Each Other Share-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, Shares (including, without limitation, securities convertible into Shares) as are deemed by the Board to be consistent with the purposes of the Plan; provided, however, that 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 Plan and any applicable Award Agreement, the

Board will determine the terms and conditions of Other Share-Based Awards. Shares or other securities delivered pursuant to a purchase right granted under this Section 7.1 will be purchased for such consideration, which may be paid by such method or methods and in such form or forms, including, without limitation, cash, Shares, other securities, other Awards, other property, or any combination thereof, as the Board shall determine.

ARTICLE 8 ADDITIONAL AWARD TERMS

8.1 Dividend Equivalents

- (a) Unless otherwise determined by the Board and set forth in the particular Award Agreement, RSUs and PSUs shall be credited with dividend equivalents in the form of additional RSUs and PSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs and PSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's accounts shall be subject to the same vesting and other terms as the RSUs and PSUs to which they relate.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in the Plan shall be interpreted as creating such an obligation.

8.2 Blackout Period

If an Award is scheduled to expire or be settled during a Blackout Period or within five Business Days following the expiry of such Blackout Period, then, notwithstanding any other provision of the Plan, unless the delayed expiration would result in tax penalties, the Award shall expire ten (10) Business Days after the trading Blackout Period is lifted by the Corporation.

8.3 Withholding Taxes

The granting, vesting, settlement or exercise of each Award under the Plan is subject to the condition that if at any time the Board determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting, settlement or exercise, such action is not effective unless such withholding has been effected to the satisfaction of the Board. In such circumstances, the Board may require that a Participant pay to the Corporation or an entity of the Athabasca Group the minimum amount as the Corporation or the entity of the Athabasca Group is obliged to remit to the relevant taxing

authority in respect of the granting, vesting, settlement or exercise of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or the entity of the Athabasca Group, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or the entity of the Athabasca Group may (a) withhold such amount from any remuneration or other amount payable by the Corporation or the entity of the Athabasca Group to the Participant, (b) require the sale of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount or (c) enter into any other suitable arrangements for the receipt of such amount.

8.4 Recoupment

Notwithstanding any other terms of the Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or an entity of the Athabasca Group and in effect at the Date of Grant of the Award, or as otherwise required by law or the rules of an Exchange (if then listed on an Exchange). The Committee may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

8.5 Cash Settlement Alternative

- (a) With respect to Awards other than Options, the Participant may, in the Participant's discretion, by giving a written notice specifying the proportion of the Award to be paid in cash (a "**Cash Notice**") to the Corporation not less than 30 days prior to any vesting date of the Award, choose to receive, in lieu of newly-issued Shares delivered pursuant to the terms of the Award, a lump sum cash payment from the Corporation (by cheque or direct deposit) equal to the proportion of the Award to be paid in cash as specified in the Cash Notice multiplied by the number of Shares to be issued pursuant to the Award on the vesting date (after giving effect to the Performance Goals for any PSU Award) multiplied by the Fair Market Value of a Share on the vesting date. In accordance with Section 3.7(b), the Shares subject to the surrendered Award (or portion thereof) shall be added back to the number of Shares reserved for issuance under this Plan.
- (b) Notwithstanding the delivery of a Cash Notice pursuant to Subsection 8.5(a), the Corporation may choose instead to issue Shares to the Participant instead of making a lump sum cash payment to the Participant. If the Corporation should choose to do so, the Cash Notice shall be deemed to be withdrawn.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES; PERIOD OF ABSENCE

9.1 Death

Unless otherwise determined by the Board and set forth in an Award Agreement, if a Participant's employment or service arrangement is terminated due to the Participant's death:

- (a) any Awards due to vest shall immediately vest;
- (b) any Performance Measures for which the applicable performance period has been completed as of the Participant's date of death shall be determined in accordance with the terms of the Award Agreement and any Performance Measures for any applicable performance period which has not been completed shall be deemed to have been met at 100% of the specified target level of performance for such Performance Measures;
- (c) each Award other than an Option held by the Participant that has vested as of the Participant's date of death will be settled in accordance with its terms.
- (d) each vested Option held by the Participant continues to be exercisable by the Participant or the Participant's estate until the earlier of: (i) its Expiry Date; and (ii) the date that is 12 months after the Termination Date, as applicable, and if not exercised on or before such date is then forfeited and cancelled.

9.2 Period of Absence

If a Participant experiences a Period of Absence, the vesting of the Participant's Award during such Period of Absence shall be as determined by the Board and set forth in the Participant's Award Agreement.

9.3 Termination of Employment or Services without Cause

Subject to Section 9.7, unless otherwise specified by the Board at the time of granting an Award, if a Participant's employment or engagement is terminated by the Corporation or an entity of the Athabasca Group without Cause (whether such termination is lawful or unlawful and whether it occurs with or without any or adequate notice, or with or without compensation in lieu of such notice), then:

- (a) each Option held by the Participant that has vested as of the Termination Date continues to be exercisable by the Participant until the earlier of: (i) its Expiry Date; and (ii) the date that is 90 days after the Termination Date, as applicable, and if not exercised on or before such date is then forfeited and cancelled;
- (b) 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

- (c) any Option or other Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date.

9.4 Termination of Employment or Services due to Resignation

Subject to Section 9.7, unless otherwise specified by the Board at the time of granting an Award, where a Participant's employment or engagement terminates by reason of resignation by the Participant, other than pursuant to Retirement or a resignation where facts that could give rise to Cause exist, then:

- (a) each Option held by the Participant that has vested as of the Termination Date continues to be exercisable by the Participant until the earlier of: (i) its Expiry Date; and (ii) the date that is 90 days after the Termination Date, as applicable, and if not exercised on or before such date is then forfeited and cancelled;
- (b) 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
- (c) any Option or other Award held by the Participant that has not vested as of the Termination Date is immediately forfeited and cancelled as of the Termination Date.

9.5 Termination of Employment or Services for Cause

Unless otherwise specified by the Board at the time of granting an Award, where a Participant's employment or engagement terminates by reason of termination by the Corporation or an entity of the Athabasca Group for Cause (or a resignation where facts giving rise to Cause exist), then any Option or other Award held by the Participant, whether or not it has vested as of the Termination Date, is immediately forfeited and cancelled as of the Termination Date.

9.6 Cessation of Vesting and Eligibility for Awards following Termination

A Participant's eligibility to receive further grants of Awards under the Plan ceases as of the Termination Date. For greater certainty, and except as may be required to comply with applicable minimum requirements contained in applicable ESL, the Participant is not eligible for continued vesting of any Award during any period in which the Participant receives, or claims to be entitled to receive, any compensatory payments in lieu of notice of termination pursuant to contract, common law or civil law, and the Participant will not be entitled to any damages or other compensation for any Award that does not vest or is not awarded due to termination of the Participant's employment or engagement, as the case may be, with the Corporation or an entity of the Athabasca Group for any reason, whether lawful or unlawful, with or without notice. The Corporation and the Participant expressly agree that the terms of this Plan displaces any and all common law rights the Participant has or may claim an entitlement to in respect of Awards governed by this Plan.

9.7 Employment or Engagement with an Entity of the Athabasca Group

Notwithstanding Sections 9.1 to 9.6, unless the Board, in its discretion, otherwise determines, at any time and from time to time, Awards are not affected by a change of employment or engagement within or among the Corporation and an entity in the Athabasca Group for so long as the Participant continues to be a Service Provider.

9.8 Participants' Entitlement

Except as otherwise provided in the Plan, Awards previously granted under the Plan are not affected by any change in the relationship between, or ownership of, the Corporation and an entity of the Athabasca Group. For greater certainty, all grants of Awards remain outstanding and are not affected by reason only that, at any time, an entity ceases to be an entity of the Athabasca Group.

ARTICLE 10 EVENTS AFFECTING THE CORPORATION

10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on the Plan or on any Award granted hereunder.

10.2 Change of Control

- (a) Except as may be set forth in an employment agreement, or other written agreement between the Corporation or an entity of the Athabasca Group and the Participant, and notwithstanding anything else in the Plan or any Award Agreement, 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 of 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 of Control, and, to the extent the Board determines, terminate upon or immediately prior to the effectiveness of such Change of 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 of Control (and, for the avoidance of doubt, if as of the date of the occurrence of such Change of 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 actions permitted under this subparagraph (a), the Board will not be required to treat all Awards similarly.

- (b) If, within 12 months following a Change of Control, an employee's employment is terminated by the Corporation or an entity of the Athabasca Group without Cause then all Awards due to vest shall immediately vest on the Participant's Termination Date. Each vested Award which is an Option shall continue to be exercisable until the earlier of its Expiry Date and 90 days after the Participant's Termination Date. Any Performance Measures assigned to any Awards shall be calculated in accordance with the terms of the applicable Award Agreement.

10.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of 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 should any other change be made in the capitalization of the Corporation that does not constitute a Change of Control and would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Board will, subject to the prior approval of the relevant Exchange(s) (if then listed on an Exchange), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change of Control and that warrants the amendment or replacement of any

existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Board will, subject to the prior approval of the applicable Exchange(s) (if then listed on an Exchange), authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.5 Immediate Acceleration of Awards

Where the Board determines that the steps provided in this Article 10 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Board may, but is not required, to permit the immediate vesting of any unvested Awards.

10.6 Issue by the Corporation of Additional Shares

Except as expressly provided in this Article 10, neither the issue by the Corporation of Shares of any class or securities convertible into or exchangeable for Shares of any class, nor the conversion or exchange of such Shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

10.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 10 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11 U.S. TAXPAYERS

11.1 Section 409A of the Code

The Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of the Plan. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend the Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of the Plan in light of Section 409A of

the Code and any regulations or guidance under that section. In no event will the Corporation be responsible if Awards under the Plan result in adverse tax consequences to a U.S. Taxpayer under Section 409A of the Code. Distributions of non-qualified deferred compensation to a U.S. Taxpayer made in connection with the U.S. Taxpayer's Termination Date shall only be made in connection with such U.S. Taxpayer's "separation from service" within the meaning set forth in Section 409A of the Code. Notwithstanding any provisions of the Plan to the contrary, in the case of any "specified employee" within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under Section 409A of the Code made in connection with a "separation from service" within the meaning set forth in Section 409A of the Code may not be made prior to the date which is 6 months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer or the date such amount would have been paid pursuant to a fixed schedule in the absence of the separation from service). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such 6-month anniversary of such separation from service. Notwithstanding any provisions of the Plan to the contrary, any Award that constitutes non-qualified deferred compensation granted to any U.S. Taxpayer may not be transferred or assigned to a Permitted Assign if such transfer or assignment would result in an impermissible acceleration of payment under Section 409A of the Code.

ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

The Board may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Board determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer be subject to the additional tax penalty under Section 409A(1)(b)(i)(II) of the Code shall be null and void *ab initio*.

Amendments to the Plan shall be subject to any applicable approval of the TSX.

12.2 Shareholder Approval

Notwithstanding Section 12.1, shareholder approval shall be required for any amendment, modification or change that:

- (a) increases the number of Shares reserved for issuance under the Plan, except pursuant to the provisions in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (b) increases the limit on Shares issuable to Participants as set forth in Subsection 3.8(c);
- (c) increases or removes the limits on Shares issuable or issued to Insiders as set forth in Subsection 3.8(a);
- (d) reduces 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 in the Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (e) 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 (5) Business Days following the expiry of such a Blackout Period);
- (f) permits Awards to be transferred to a Person other than a Permitted Assign or for normal estate settlement purposes; or
- (g) deletes or reduces the range of amendments which require approval of the holders of voting shares of the Corporation under this Section 12.2.

12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Board may, without shareholder approval, at any time or from time to time, amend the Plan or any Award for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making 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;

- (d) making any amendments not inconsistent with the 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; or
- (e) making 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.

ARTICLE 13 MISCELLANEOUS

13.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

13.2 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as a Service Provider. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the issuance to such Participant

13.3 Corporate Action

Nothing contained in the Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Award.

13.4 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of this Plan shall govern. In the event of any conflict between or among the provisions of this Plan, an Award Agreement and (i) an employment agreement or other written agreement between the Corporation or an entity of the Athabasca Group and a Participant which has been approved by the Chief Executive

Officer of the Corporation (or where the Participant is the Chief Executive Officer, approved by the Board), the provisions of the employment agreement or other written agreement shall govern and (ii) any other employment agreement or other written agreement between the Corporation or an entity of the Athabasca Group and a Participant, the provisions of this Plan shall govern.

13.5 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer to the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. These recipients may be located in the Participant's jurisdiction, or elsewhere, and the Participant's jurisdiction may have different data privacy laws and protections than the recipients' jurisdiction. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf and authorizes such recipients to receive, possess, use, retain and transfer the information, in electronic or other form, to implement, administer and manage the Participant's participation in the Plan. A Participant may, at any time, refuse or withdraw the consents in this Section 13.5 by giving written notice in accordance with this Plan. If the Participant refuses or withdraws the consents in this Section 13.5, the Corporation may cancel the Participant's participation in the Plan and, in the Board's discretion, the Participant may forfeit any outstanding Awards.

13.6 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and does not confer upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan and does not constitute an express or implied term nor in any manner form part of the Participant's employment contract with the Corporation or an entity of the Athabasca Group. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares and no amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation does not assume responsibility for the

income or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

13.7 Compliance with Employment Standards

It is understood and agreed that all provisions of the Plan are subject to all applicable minimum requirements of applicable ESL and it is the intention of the Corporation to comply with the minimum requirements contained in ESL. Accordingly, the Plan shall (a) not be interpreted as in any way waiving or contracting out of ESL, and (b) be interpreted to achieve compliance with ESL. In the event that ESL provides for a superior right or entitlement upon termination of employment or otherwise (“statutory entitlements”) than provided for under the Plan, the Corporation shall provide the Participant with the Participant’s minimum statutory entitlements in substitution for the Participant’s rights under the Plan.

13.8 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and the Athabasca Group and each Participant, including without limitation, the legal representative of a Participant, or any receiver or trustee in bankruptcy or representative of the creditors of the Corporation and the Athabasca Group or a Participant.

13.9 General Restrictions and Assignment

Except as required by law or as otherwise provided in the Plan, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Board.

13.10 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

13.11 Notices

All written notices to be given by the Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

Attention:	Chief Executive Officer
E-mail:	rbroen@atha.com

All notices to the Participant will be addressed to the principal address of the Participant on file with the Corporation (including e-mail). Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

13.12 Electronic Delivery

The Corporation or the Board may from time to time establish procedures for (i) the electronic delivery of any documents that the Corporation may elect to deliver (including, but not limited to, plan documents, award notices and agreements, and all other forms of communications) in connection with any award made under the Plan, (ii) the receipt of electronic instructions from Participants and/or (iii) an electronic signature system for delivery and acceptance of any such documents. Compliance with such procedures shall satisfy any requirement to provide documents in writing and/or for a document to be signed or executed.

13.13 Effective Date

The Plan became effective on the Effective Date, subject to the approval of the shareholders of the Corporation, if applicable.

13.14 Governing Law

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

13.15 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Alberta in respect of any action or proceeding relating in any way to the Plan, including with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

Appendix C

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 Performance Plan, the 2015 RSU Plan, and the Option Plan. The DSU Plan is also described.

GENERAL LIMITATIONS APPLICABLE TO ALL LTI PLANS

Grants made under each of Athabasca's long-term equity incentive plans (collectively, "**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 5% 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.

PERFORMANCE PLAN

Purpose of the Performance Plan and Eligibility

The Performance Plan first came into effect on March 18, 2014. The principal purposes of the Performance Plan are 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

The maximum number of Common Shares that may be issuable pursuant to the Performance Plan together with all other Security Based Arrangements of the Corporation is 10% of the Common Shares outstanding from time to time. Any increase in the issued and outstanding Common Shares (including increases resulting from the settlement of Performance Awards) will result in an increase in the number of Common Shares that may be issued on Performance Awards outstanding at any time. For the purposes of calculating the 10% limitation referred to above only, it shall be assumed that all issued and outstanding Performance Awards will be settled by the issuance of Common Shares from treasury, notwithstanding Athabasca's right to settle the Award Value (as defined below) underlying Performance Awards in cash or by purchasing Common Shares on the open market and that a Payout Multiplier (as defined below) of 1.0 will be applied to all Performance Awards. Performance Awards that are cancelled, surrendered, terminated or expire prior to the settlement of all or a portion thereof and Performance Awards that are settled for cash will result in the Common Shares that were reserved for issuance under the Performance Plan being available for a subsequent grant of Performance Awards.

As at December 31, 2020, there were 8,340,300 Common Shares reserved for issuance upon vesting of Performance Awards outstanding under the Performance Plan, representing approximately 1.6% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2020, a total of 926,406 Common Shares were issued in relation to outstanding units under this plan upon settlement of Performance Awards, representing 0.2% of the number of issued and outstanding Common Shares as at December 31, 2020.

Grant of Performance Awards and Assignability

Pursuant to the Performance Plan, the Board may grant Performance Awards on such terms and conditions as it may determine, 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 (as defined below) 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 be seeking approval for the unallocated awards at the annual meeting in 2020, and has determined it will not seek approval for unallocated awards at the Meeting, 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 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 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 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**").

Under the Performance Plan, depending on the Corporation's TSR and Corporate Scorecard Result, a payout multiplier is applied of between 0% and 200% ("**Payout Multiplier**").

The "Peer Companies" for the purposes of the Performance Award Agreements entered into during the year ended December 31, 2020 are:

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.	TORC Oil & Gas Ltd.	Whitecap Resources Inc.

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 determines 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.

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 relevant Performance 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%.

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 (as defined below under “*Option Plan – Change of Control*”) 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.

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, 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, 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, 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);

- (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; and
- (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, 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;
 - (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 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 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.

RESTRICTED SHARE UNITS

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 2010 RSUs under the 2010 RSU Plan. All grants of RSUs subsequent to March 11, 2015 are 2015 RSUs ("**2015 RSUs**"), issued 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 are 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 RSUs may be awarded.

Limitations on Issuances under the 2015 RSU Plan

As noted under "*General Limitations Applicable to All LTI Plans*" above, in addition to the other limitations described, the maximum number of Common Shares issuable on the exercise of outstanding 2015 RSUs 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.

Any increase in the issued and outstanding Common Shares (including increases resulting from the settlement of 2015 RSUs) will result in an increase in the number of Common Shares that may be issued in the settlement of 2015 RSUs outstanding at any time and any increase in the number of 2015 RSUs granted will, upon settlement, make new grants available under the 2015 RSU Plan. For the purposes of calculating the 10% limitation referred to above only, it shall be assumed that all issued and outstanding 2015 RSUs will be settled by the issuance of Common Shares from treasury, notwithstanding Athabasca's right to settle the 2015 RSUs in cash or by purchasing Common Shares on the open market. 2015 RSUs that are cancelled, surrendered, terminated

or expire prior to the settlement of all or a portion thereof and 2015 RSUs that are settled for cash will result in the Common Shares that were reserved for issuance under the 2015 RSU Plan being available for a subsequent grant of 2015 RSUs pursuant to the 2015 RSU Plan to the extent of any Common Shares issuable thereunder that are not issued under such cancelled, surrendered, terminated or expired 2015 RSUs.

2015 RSUs may not be awarded to directors of the Corporation who are not officers or employees of the Corporation or another member of the Athabasca Group.

As at December 31, 2020, there were 11,124,043 Common Shares reserved for issuance upon vesting of 2015 RSUs outstanding under the 2015 RSU Plan, representing approximately 2.1% of the number of current issued and outstanding Common Shares as at that date. During the financial year ended December 31, 2020, a total of 6,140,041 Common Shares were issued upon settlement of 2015 RSUs, representing 1.2% of the number of issued and outstanding Common Shares as at December 31, 2020.

Vesting, Assignability and Expiry

The Board may determine 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 will vest and be 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 will determine 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 foregoing, 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 (as defined below under “*Option Plan – 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 Corporation, its subsidiaries, and any other entity designated by the Board from time to time as a member of the "Athabasca Group" for the purposes of the Option Plan (the "**Athabasca Group**"). The purpose of the Option Plan is 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. The Option Plan permits the Board to grant Options to officers, directors and employees of the Corporation.

Limitations under the Option Plan

As noted under "*General Limitations Applicable to All LTI Plans*" above, in addition to the other limitations described, the maximum number of Common Shares that are issuable on the exercise of outstanding Options 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 to the other limitations described under "*General Limitations Applicable to All LTI Plans*" above, under the Option Plan, the maximum number of Common Shares issuable on exercise of Options outstanding at any time held by directors of the Corporation who are not officers or employees of the Corporation, is limited to 0.75% of the issued and outstanding Common Shares.

Options cancelled, terminated or expired prior to exercise of all or a portion thereof will result in the Common Shares that were reserved for issuance being available for subsequent grants of Options. As the Option Plan is a "rolling plan", the issuance of additional Common Shares by the Corporation or the exercise of Options will also give rise to additional availability under the Option Plan.

As at December 31, 2020, there were 7,045,223 Common Shares issuable upon exercise of Options outstanding under the Option Plan, representing approximately 1.3% of the number of current

issued and outstanding Common Shares. During the financial year ended December 31, 2020, a total number of zero Common Shares were issued upon exercise of Options, representing 0% of the number of issued and outstanding Common Shares as at December 31, 2020.

Grants of Options and Assignability

At the time of grant, the Board will determine the exercise price of an Option granted pursuant to the Option Plan, which exercise price cannot be less than 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) 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” of the Corporation (as defined below), 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.

For the purposes of the 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.

Revised Option Change of Control Terms

In order to provide the Corporation with an employee retention mechanism in the event of a Change of Control, on March 27, 2012, the Board approved certain changes to the forms of Option agreement (the “**Revised Option Agreements**”) entered into between the Corporation and Optionees under which Options are granted. The Revised Option Agreements provide that 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 granted pursuant to an applicable Revised Option Agreement 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 granted pursuant to an applicable Revised Option Agreement 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 that have been granted Options pursuant to a Revised Option Agreement (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 an applicable Revised 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 Revised 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 Revised Option Agreement;
- (iii) “C” equals $[(A \times B) / 2] \times \text{Marginal Tax Rate}$
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 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 D

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 its 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.
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 E

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
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:

- shares owned directly or indirectly;
- shares over which the non-executive director or executive officer exercises control or direction;
- unvested restricted share units;
- unearned performance awards calculated using a 1x multiplier;
- deferred share units; and
- 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

ATHABASCA

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