



# **STRATHCONA**

## **RESOURCES LTD**

### **MANAGEMENT INFORMATION CIRCULAR**

**Annual General Meeting of Shareholders  
to be held on May 7, 2024**

## NOTICE OF ANNUAL GENERAL MEETING

The annual general meeting (the "**Meeting**") of shareholders of Strathcona Resources Ltd. ("**Strathcona**" or the "**Company**") will be held on Tuesday, May 7, 2024 at 9:00 a.m. (Calgary time).

The Meeting will have the following purposes:

- to receive the consolidated financial statements of the Company for the year ended December 31, 2023, together with the notes thereto and the auditors' report thereon;
- to elect the directors of the Company;
- to appoint the auditors of the Company; and
- to transact such other business as may properly be brought before the Meeting or any adjournment or postponement of the Meeting.

The Meeting will be held in a virtual-only format, which will be conducted via live audio webcast at:

<https://web.lumiagm.com/221449492>  
password: strathcona2024

The accompanying management information circular (the "**Circular**"), which forms part of this notice, provides detailed information on how to access the Meeting and the matters to be dealt with at the Meeting.

Shareholders registered at the close of business on March 27, 2024 will be entitled to receive notice of and vote at the Meeting. Shareholders are encouraged to express their vote in advance by completing the form of proxy or voting instruction form provided to them. Detailed instructions on how to complete and return proxies are provided on [pages 2 to 6](#) of the Circular.

By order of the Board of Directors of Strathcona Resources Ltd.

*(signed) "Adam Waterous"*

**Adam Waterous**  
Executive Chairman  
March 26, 2024, Calgary, Alberta

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## MANAGEMENT INFORMATION CIRCULAR

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### Virtual Only Meeting

You are invited to virtually attend the annual general meeting of shareholders of Strathcona to be held on May 7, 2024 at 9:00 a.m. (Calgary time) for the purposes indicated in the accompanying Notice of Annual General Meeting. The Meeting will be held in a virtual-only format, which will be conducted via live audio webcast at <https://web.lumiagm.com/221449492>, password: strathcona2024.

### About This Circular

Information in this Circular is given as of March 26, 2024 unless otherwise noted. Certain terms used in this Circular are defined in the glossary provided on [page 32](#) of this Circular. Unless otherwise stated, all amounts in this Circular are presented in Canadian dollars.

### Measurement Conversion

Strathcona has adopted the standard of six thousand cubic feet of gas to one bbl of oil (6 mcf:1 bbl) when converting natural gas to barrels of oil equivalent boe. Any figure presented in boe may be misleading, particularly if used in isolation. The foregoing conversion ratio is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of oil as compared to natural gas is significantly different from the energy equivalent of 6:1, utilizing a conversion on a 6:1 basis may be misleading.

### Interest of Informed Persons in Material Transactions

Other than in respect of the WEF Investment Rights Agreement (as described on [page 13](#) of this Circular) and disclosed elsewhere in this Circular, to the knowledge of the directors and officers of Strathcona, none of the directors or executive officers of Strathcona, nor any person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the voting rights attached to all outstanding common shares, nor any of their respective associates or affiliates, has or has had any material interest, direct or indirect, in any transaction since January 1, 2023 or in any proposed transaction which has materially affected or is reasonably expected to materially affect Strathcona or a subsidiary thereof.

## VOTING AND PARTICIPATION INFORMATION

This Circular is furnished in connection with the solicitation by or on behalf of management of Strathcona of proxies to be used at the Meeting. It is expected that solicitation will be primarily by mail, but proxies may also be solicited personally, by telephone or facsimile or other similar means by Strathcona employees or agents. All costs of the solicitation will be paid by Strathcona.

You are entitled to vote if you are a shareholder of record as of the close of business on March 27, 2024, the record date for the Meeting. Each Strathcona common share is entitled to one vote. A simple majority of votes (50% plus one vote) cast at the Meeting or by proxy is required to approve all matters to be considered at the Meeting.

Please read the following for commonly asked questions and answers regarding voting and proxies.

### How will I be able to attend and participate in the Meeting?

The Company is holding the Meeting in a virtual-only format via live audio webcast. You can participate online using your smartphone, tablet or computer. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including beneficial (i.e. non-registered) shareholders who have duly appointed themselves as proxyholder, to listen to and view the Meeting, ask questions and vote. Beneficial shareholders who have not duly appointed themselves as proxyholders will only be able to attend the Meeting as guests. Guests will be able to listen to and view the Meeting and ask questions during a Q&A session following the formal portion of the Meeting, but will not be able to vote at the Meeting.

To attend the Meeting, login to the Meeting at <https://web.lumiagm.com/221449492>. Registered shareholders and duly appointed proxyholders must select "I have a Control Number/Username" and enter their control number or username and the password "strathcona2024" (case sensitive). All other participants, including beneficial shareholders that have not duly appointed and registered themselves as proxyholder, must select "I am a guest" and then complete the online form to access the Meeting.

If you attend the Meeting, it is important to stay connected to the internet at all times during the Meeting in order to vote. It is your responsibility to ensure connectivity for the duration of the Meeting. We recommend that you login at least thirty to sixty minutes before the Meeting begins to confirm that the browser on your device is compatible. You will need the latest version of Chrome, Safari, Edge or Firefox. Internet Explorer is not supported. Internal network security protocols including firewalls and VPN connections may block access to the Lumi platform for the Meeting. If you are experiencing any difficulty connecting to or watching the Meeting, ensure your VPN setting is disabled or use a computer on a network not restricted to security settings of your organization.

Registered shareholders and duly appointed proxyholders may submit questions at any time during the Meeting. Guests may only submit questions during the Q&A session following the formal portion of the Meeting. If you wish to submit a question during the Meeting, select the messaging tab on the online platform, type your question within the box at the top of your screen and click the send arrow. Questions asked related to the business of the Meeting will be answered in the order received for each item of business. Questions asked that are not related to the business of the Meeting will be answered during the Q&A session following the formal portion of the Meeting. Questions may be edited or paraphrased and substantially similar questions may be grouped and answered once to avoid repetition. Shareholders will be afforded the same opportunities to participate as at an in-person meeting.

Additional details on meeting participation are set forth in the Virtual Meeting User Guide that is available on our website at [www.strathconaresources.com](http://www.strathconaresources.com). In the event you require support during the registration, login or voting process, please go to <https://www.lumiglobal.com/faq> for more information.

## What am I voting on?

You will be voting on:

- the election of the directors of the Company; and
- the appointment of Deloitte LLP as auditors of the Company.

## What if amendments are made to these matters or if other matters are brought before the Meeting?

If you attend the Meeting and are eligible to vote, you may vote on such matters as you choose. If you have completed and returned a proxy, the common shares represented by your proxy will be voted or withheld from voting in accordance with your instructions on any ballot that may be called for and, if you specify a choice with respect to any matter to be acted upon, the common shares will be voted accordingly. The persons named in the proxy form will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual General Meeting and to other matters that may properly be brought before the Meeting. As of the date of this Circular, management of Strathcona knows of no such amendment, variation or other matter expected to be brought before the Meeting. If any other matters are properly brought before the Meeting, the persons named in the proxy form will vote on them in accordance with their best judgment.

## How can a registered shareholder vote?

You are a registered shareholder if your shares are registered in your name. If you are a registered shareholder and are eligible to vote, you can vote your shares in one of the following ways:

### 1. In advance of the Meeting:

- a. **By Internet:** By going to <https://vote.odysseytrust.com> and using the 12-digit control number listed on your form of proxy.
- b. **By Email:** By emailing your duly completed form of proxy to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com).
- c. **By Mail:** By mailing your duly completed form of proxy using the enclosed return envelope or one addressed to Odyssey Trust Company, Proxy Department, Traders Bank Building 702, 67 Yonge Street Toronto, Ontario M5E 1J8.

To be valid, proxy forms and votes received by internet, email or mail must be received in each case no later than 9:00 a.m. (Calgary time) on May 3, 2024 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed meeting. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

2. **At the Meeting (Virtually):** By completing the electronic ballot online during the Meeting. See the Virtual Meeting User Guide for detailed voting instructions.

## How can a beneficial shareholder vote?

You are a beneficial shareholder if your shares are not registered in your name, but are held in the name of a nominee (usually a bank, trust company, securities broker or other financial institution). You should have received a package of information in respect of the Meeting from your nominee, including a voting instruction form. Your nominee is required to seek your instructions as to how to vote your shares at the Meeting.

If you are a beneficial shareholder and are eligible to vote, you can vote your shares in one of the following ways:

1. **In advance of the Meeting:** By following the instructions in the voting instruction form provided by your nominee.
2. **At the Meeting (Virtually):** By completing the electronic ballot as a duly appointed proxyholder online during the Meeting. See "*How do I appoint myself or another person as proxyholder?*" below for instructions on how to appoint yourself as proxyholder and the Virtual Meeting User Guide for detailed voting instructions.

**Beneficial shareholders who have not duly appointed themselves as proxyholders will not be able to vote or ask questions during the formal portion of the Meeting but will be able to participate virtually as a guest.** This is because Strathcona does not have access to all of the names of its beneficial shareholders, and as a result we will have no record of your shareholdings or of your entitlement to vote unless your nominee has appointed you as a proxyholder.

### Who votes my shares and how will they be voted if I return a proxy?

By properly completing and returning a proxy, you are authorizing the person named in the proxy to attend the Meeting and vote your shares in accordance with your instructions. If you do not specify an alternate proxyholder, the management nominees named in your form of proxy or voting instruction form will be assigned to vote your shares.

**You have the right to appoint the person or company of your choice as proxyholder, who does not need to be a shareholder, to virtually attend and act on your behalf at the Meeting.** See "*How do I appoint myself or another person as proxyholder?*" below for instructions on how to appoint your choice of proxyholder.

The shares represented by your proxy must be voted or withheld from voting according to your instructions in the proxy. If you properly complete and return your proxy, but do not specify how you wish your shares to be voted, your shares will be voted or withheld from voting as your proxyholder, in their discretion, sees fit. Unless contrary instructions are provided, shares represented by proxies received by the management nominees named in your form of proxy or voting instruction form will be voted **FOR** the election of each director nominee set forth on [pages 8 to 12](#) of this Circular and the appointment of Deloitte LLP as auditors of the Company.

### How do I appoint myself or another person as proxyholder?

If you wish to appoint a person other than the persons named in the proxy form or voting instruction form to be your proxyholder (including yourself, if you are a beneficial shareholder), then follow the instructions below:

- **Step 1 – Submit your form of proxy or voting instruction form:** In your form of proxy or voting instruction form, strike out the printed names of the management nominees and insert the name of your chosen proxyholder in the space provided and follow the instructions for submitting such form of proxy or voting instruction form set out in such document. This step 1 must be completed before registering such proxyholder (step 2), which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.
- **Step 2 – Register your proxyholder:** To register a third-party proxyholder (including yourself, if you are a beneficial shareholder), shareholders must send an email to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) by 9:00 a.m. (Calgary time) on May 3, 2024 and provide Odyssey with the required proxyholder contact information so that Odyssey may provide the

proxyholder with a username via email. **Without a username, proxyholders will not be able to vote at the meeting but will be able to participate as a guest.**

**If you are a beneficial shareholder located in the United States:** To attend and vote at the Meeting you must first obtain a valid legal proxy from your nominee and then register in advance to attend the Meeting, by submitting a copy of your legal proxy to Odyssey. Requests for registration should be sent to: Odyssey Trust Company, Proxy Department, Traders Bank Building 702, 67 Yonge Street Toronto, Ontario M5E 1J8, OR emailed to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com). Requests for registration must be labeled as "Legal Proxy" and be received no later than 9:00 a.m. (Calgary time) on May 3, 2024. You will receive a confirmation of your registration by email once Odyssey receives your registration materials. Please note that you also are required to register your appointed proxyholder by sending an email to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com), per step 2 above.

### Can I revoke a proxy or voting instruction?

If you are a registered shareholder and have returned a proxy, you may revoke it by:

1. completing and signing a proxy bearing a later date, and delivering it to Odyssey not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting (or any adjourned or postponed meeting); or
2. delivering a written statement, signed by you or your authorized attorney to:
  - A. the Corporate Secretary of Strathcona Resources Ltd. at Suite 1900, 421 – 7th Avenue S.W., Calgary, Alberta T2P 4K9 at any time up to and including the last business day prior to the Meeting, or the business day preceding the date of any adjourned or postponed meeting; or
  - B. the chair of the Meeting prior to the start of the Meeting.

If you are a registered shareholder, voting at the Meeting online will revoke your previously voted proxy.

If you are a beneficial shareholder, contact your nominee for information on how to revoke your voting instruction.

### How many shares are outstanding?

As of March 25, 2024, there were 214,235,608 common shares outstanding. We have no other class or series of voting shares outstanding.

Strathcona is majority owned and controlled by WEF. The limited partnerships forming WEF, being the WEF Shareholders, collectively are the registered owners of an aggregate of 194,547,294 common shares representing 90.8% of the issued and outstanding common shares. The shares owned by the WEF Shareholders are controlled through the WEF General Partners. The business and affairs of each WEF Shareholder and WEF General Partner are managed by the WEF Manager, which is owned indirectly and controlled by Adam Waterous, the Executive Chairman of the Board.

The following table sets out the holdings of certain of the WEF Shareholders, which, as of the date of this Circular are the only persons which, to the Company's knowledge, beneficially own, or control or direct, directly or indirectly, 10% or more of the voting rights attached to the outstanding common shares.

Name	Number of Common Shares	% of Issued and Outstanding Common Shares
Waterous Energy Fund (International) LP	49,566,205	23.1%
Waterous Energy Fund (US) LP	48,217,002	22.5%
Waterous Energy Fund (Canadian) LP	23,284,981	10.9%
Waterous Energy Fund II Aggregator LP	21,531,553	10.1%

### How will meeting materials be delivered?

We are using notice and access to deliver this Circular to our beneficial shareholders but not with respect to our registered shareholders. This means that Strathcona will post this Circular online for our beneficial shareholders to access electronically and will mail a paper copy of this Circular to registered shareholders. Beneficial shareholders will receive a package in the mail with a notice outlining the matters to be addressed at the Meeting, which will explain how to access and view this Circular electronically and how to request a paper copy at no charge. Beneficial shareholders will also receive a voting instruction form in the mail to vote their shares.

Beneficial shareholders can request a paper copy of this Circular free of charge for up to one year from the date it is filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). If you would like to receive a paper copy of this Circular, please follow the instructions provided in the notice pursuant to notice and access, or contact Odyssey via their website at [www.odysseytrust.com/ca-en/help/](http://www.odysseytrust.com/ca-en/help/) or by phone at 1-888-290-1175 (within North America) or 1-587-885-0960 (outside North America). If you request a paper copy of this Circular, you will not receive a new voting instruction form, so you should keep the original form sent to you in order to vote your shares.

We will mail a paper copy of our consolidated financial statements for the year ended December 31, 2023 and MD&A to registered shareholders and those beneficial shareholders who previously requested to receive such information pursuant to applicable securities laws.

### What if I have other questions?

If you have any questions regarding the Meeting, please contact our transfer agent and registrar, Odyssey, at 1-888-290-1175 (within North America) or 1-587-885-0960 (outside North America) or visit [www.odysseytrust.com/ca-en/help/](http://www.odysseytrust.com/ca-en/help/).



## BUSINESS OF THE MEETING

### Financial Statements

The consolidated financial statements of Strathcona for the year ended December 31, 2023, together with the auditors' report thereon, will be placed before the Meeting. These financial statements and accompanying MD&A have been mailed to the shareholders who requested such materials in accordance with applicable securities laws. Copies of these financial statements are available on our website at [www.strathconaresources.com](http://www.strathconaresources.com) and available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### Election of Directors

The nine nominees proposed for election as directors of Strathcona are as follows:

Adam Waterous	Cody Church	Andrew Kim
Steve Fagan	Connie De Ciancio	Rob Morgan
Navjeet (Bob) Singh Dhillon	Henry Hager	Connor Waterous

All nominees are currently members of the Board of Directors. Directors elected at the Meeting will hold office from the close of the Meeting until the next annual meeting of shareholders or until their successors are elected or appointed. See [pages 8 to 12](#) for more information about the director nominees.

Unless directed otherwise, the management nominees named in the form of proxy will vote **FOR** the election of each of the nominees.

### Appointment of Auditors

Management and the Board propose that Deloitte LLP be appointed as Strathcona's auditors until the close of the next annual meeting of shareholders. Deloitte LLP has been Strathcona's auditors since September 2022. Information regarding Strathcona's Audit Committee and external audit service fees is set forth under the heading "Audit Committee Information" in the AIF.

Unless directed otherwise, the management nominees named in the form of proxy will vote **FOR** the appointment of Deloitte LLP.

### Other Business

Shareholders will vote on any other business as may properly be brought before the Meeting. As of the date of this Circular, management is not aware of any other matters to be brought before the Meeting.

## DIRECTORS

Strathcona's articles stipulate that there shall be no more than fifteen and no fewer than three directors, and our by-laws specify that the number of directors to be elected at an annual meeting of shareholders shall be the number of directors then in office unless the directors otherwise determine. The term of office of each director is from the date of the Meeting at which he or she is elected or appointed until the next annual meeting of shareholders or until a successor is elected or appointed.

All nine nominees, being Adam Waterous, Steve Fagan, Navjeet (Bob) Singh Dhillon, Cody Church, Connie De Ciancio, Henry Hager, Andrew Kim, Rob Morgan and Connor Waterous, are currently members of the Board. Following the Meeting, and assuming that all proposed nominees for director are elected, as contemplated in this Circular, the Board will be composed of two independent directors and seven non-independent directors.

Unless authority to do so is withheld, the management nominees named in the form of proxy intend to vote **FOR** the election of each of the proposed nominees. Management does not expect that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the form of proxy reserve the right to vote for another nominee at their discretion unless the proxy specifies the common shares are to be withheld from voting in the election of directors.

### Nominees

#### Adam Waterous

**Non-Independent Director<sup>(1)</sup> — Executive Chairman**

**Alberta, Canada**

**Director since: August 2020**

Mr. A. Waterous founded WEF in December 2016 and is currently Managing Partner and Chief Executive Officer of WEF. Prior to founding WEF, Mr. A. Waterous served as Global Head of Investment Banking and Head of Energy and Power, North America at Scotiabank, where he was responsible for all of Scotiabank's global Equity and Advisory activities and Scotia Waterous. Mr. A. Waterous co-founded Waterous & Co., a predecessor firm to Scotia Waterous, in September 1991, where he was a member of the firm's Executive Committee and the head of the firm. Mr. A. Waterous holds an Honours Business Administration degree from the University of Western Ontario and a Master of Business Administration from Harvard Business School. Being in the top five percent of his class at Harvard, he was designated a Baker Scholar.

#### Committee Memberships

Nominating Committee (Chair)

#### Securities Held

Common Shares (as of March 8, 2024)

Nil<sup>(2)</sup>

#### Other Reporting Issuer Directorships

None

#### Notes:

- (1) Mr. A. Waterous is not independent by virtue of being the Managing Partner and Chief Executive Officer of WEF. Mr. A. Waterous is a nominee of the WEF Manager pursuant to the WEF Investment Rights Agreement.
- (2) Mr. A. Waterous may be considered to exercise some degree of control and direction over the common shares beneficially owned, directly or indirectly, or controlled or directed by, the WEF Shareholders, which equal in the aggregate 194,547,294 common shares, representing 90.8% of the outstanding common shares. Further, the business and affairs of each WEF Shareholder and WEF General Partner are managed by the WEF Manager, which is owned indirectly and controlled by Mr. A. Waterous.

## Steve Fagan

**Non-Independent Director<sup>(1)</sup> — Vice Chairman**

**Alberta, Canada**

**Director since: August 2020**

Mr. Fagan has devoted his leadership to the start-up and growth of Canadian oil and gas companies through executive and director roles for the past 25 years. In December 2016, Mr. Fagan founded Strath and was President, Chief Executive Officer and Director until its merger with Cona in August 2020 to create Strathcona. Prior thereto, Mr. Fagan was President and Chief Executive Officer of Mosaic, President and Chief Executive Officer of Addison Energy Inc. and held positions at Sequoia Exploration, Inc., Telesis Oil and Gas, and Imperial Oil Limited. Mr. Fagan has an MBA from the Ivey School of Business at Western University, a Bachelor of Commerce from Memorial University of Newfoundland and holds the ICD.D designation from the Canadian Institute of Corporate Directors.

### Committee Memberships

None

### Securities Held

Common Shares (as of March 8, 2024)	189,098 <sup>(2)</sup>
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### Other Reporting Issuer Directorships

None

#### Notes:

- (1) Mr. Fagan is not considered independent until August 2024 as he acted as an executive officer of the Company following the formation of Strathcona until August 2021.
- (2) Of the shares beneficially owned, controlled or directed by Mr. Fagan, 143,615 are registered in the name of Mr. Fagan, 34,906 are registered in the name of 1040231 Alberta Ltd. and 10,577 are registered in the name of Mr. Fagan's spouse.

## Navjeet (Bob) Singh Dhillon

**Independent Director — Lead Director**

**Alberta, Canada**

**Director since: October 2023**

Mr. Dhillon is the Founder, President and CEO of Mainstreet Equity Corp., a publicly traded real estate corporation on the TSX, since 1998. In 2021, Mr. Dhillon was appointed as an Officer in the Order of Canada. He was also awarded the Queen Elizabeth II Platinum Jubilee Medal in 2022, and the Diamond Jubilee Medal in 2012. From 2020 to 2022, Mr. Dhillon served as a member of the Honorable Jason Kenny's Alberta Energy Recovery Council. In 2021, Mr. Dhillon completed the ICD-Rotman Directors Education Program in conjunction with the University of Calgary, Haskayne School of Business. He graduated with his MBA from Ivey School of Business at Western University in 1998. Mr. Dhillon is also the owner of National Payments, a Visa and MasterCard approved merchant-processing business in the financial services sector. He is the Honorary Consul General of Belize for Canada. Mr. Dhillon sits on the Boards of Canada Mortgage and Housing Corporation, Alberta Investment Management Corporation and Invest Alberta Corporation.

### Committee Memberships

Audit Committee

Compensation Committee (Chair)

Nominating Committee

Reserves Committee

### Securities Held

Common Shares (as of March 8, 2024)	Nil
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### Other Reporting Issuer Directorships

Mainstreet Equity Corp.

## Cody Church

### Independent Director

Alberta, Canada

Director since: October 2023

Mr. Church has thirty years of experience in the financial markets and is the Founder and Chief Executive Officer of Clear North Capital Partners, a Calgary-based private equity focused investment group, since 2019. Previously, Mr. Church co-founded and served as Senior Managing Director of TriWest Capital Partners (1997 – 2018), where TriWest raised five private equity funds with cumulative capital commitments of over \$1.25 billion. Mr. Church has served on the public boards of Edgefront REIT (now called Nexus REIT), Source Energy Services Ltd., Decibel Cannabis Corporation Inc. and Chairs the Boards of a number of private businesses, including POI Business Solutions and Rapid Span Group. Mr. Church was also Vice Chair of the Board of Governors of the University of Calgary and inaugural Chair of the Alberta Indigenous Opportunity Corp (AIOC). Mr. Church holds a Bachelor of Economics from Harvard University.

### Committee Memberships

Audit Committee (Chair)

Compensation Committee

Reserves Committee (Chair)

### Securities Held

Common Shares (as of March 8, 2024)	13,331
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### Other Reporting Issuer Directorships

None

## Connie De Ciancio

### Non-Independent Director<sup>(1)</sup> — Vice President, Corporate

Alberta, Canada

Director since: October 2023

Ms. De Ciancio has more than 25 years of experience in the oil and gas sector focused in business development, stakeholder relations, human resources and sustainability. Ms. De Ciancio is currently the Vice President, Corporate of Strathcona. Prior to joining Strathcona in 2020, Ms. De Ciancio was VP Business Development & Land at Strath since January 2017. Prior thereto, Ms. De Ciancio was Vice President, Land of Mosaic Energy Ltd., a private company focused on liquids rich Montney development. Ms. De Ciancio was a Land Manager at a junior E&P focused on Cardium development, just prior to her time at Mosaic Energy Ltd. Ms. De Ciancio started her career at Petro-Canada Oil and Gas where she held various positions, including Negotiating Landman, Joint Venture Representative and Team Leader. Ms. De Ciancio's career has been focused on asset growth through deal generation. Ms. De Ciancio has a Bachelor of Commerce, with a focus in Petroleum Land Management from the University of Calgary, Haskayne School of Business.

### Committee Memberships

None

### Securities Held

Common Shares (as of March 8, 2024)	46,196
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### Other Reporting Issuer Directorships

None

#### Note:

(1) Ms. De Ciancio is not independent as a result of being an executive officer of the Company. She is also a nominee of the WEF Manager pursuant to the WEF Investment Rights Agreement.

## Henry Hager

### Non-Independent Director<sup>(1)</sup>

**Connecticut, United States**  
**Director since: August 2020**

Mr. Hager currently is a Managing Director of WEF, a role he has served since January 2018. Mr. Hager previously served as Director with Kohlberg Kravis Roberts and in various roles with Constellation Energy Corporation. Mr. Hager also served in a number of capacities in President George W. Bush's administration. Mr. Hager currently serves as a board member of the George W. Bush Presidential Center and Building Conservation Trust. Mr. Hager earned a Bachelor of Science in Business from Wake Forest University and an MBA from the Darden School of Business at the University of Virginia.

### Committee Memberships

Nominating Committee  
Reserves Committee

### Securities Held

Common Shares (as of March 8, 2024)	Nil
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### Other Reporting Issuer Directorships

None

#### Note:

(1) Mr. Hager is not independent as a result of being Managing Director of WEF. Mr. Hager is a nominee of the WEF Manager pursuant to the WEF Investment Rights Agreement.

## Andrew Kim

### Non-Independent Director<sup>(1)</sup>

**Ontario, Canada**  
**Director since: August 2020**

Mr. Kim currently is the Chief Financial Officer of WEF, a role he has served since December 2016. Mr. Kim previously served as President of Crescentwood Capital Corp., Pyxis Capital Inc., HAL Concepts Ltd., Graystone Corporation and as President and Director of Stonington Capital Corporation, CBOC Continental Inc. and Vice President of Finance of Unicorp Energy Corporation. Mr. Kim is a Chartered Public Accountant and holds an Honours Bachelor of Mathematics from the University of Waterloo.

### Committee Memberships

Audit Committee  
Compensation Committee

### Securities Held

Common Shares (as of March 8, 2024)	31,600
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### Other Reporting Issuer Directorships

None

#### Note:

(1) Mr. Kim is not independent as a result of being Chief Financial Officer of WEF. Mr. Kim is a nominee of the WEF Manager pursuant to the WEF Investment Rights Agreement.

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## Rob Morgan

### Non-Independent Director – President & Chief Executive Officer

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Alberta, Canada

Director since: August 2020

Mr. Morgan has more than 35 years of experience in the oil and gas industry with a focus on heavy oil and Montney development. Mr. Morgan is currently the President & Chief Executive Officer of Strathcona. Prior to joining Strathcona in 2020, he was the President and Chief Executive Officer of Cona since October 2017. Prior thereto, Mr. Morgan served as Senior Vice President and Chief Operating Officer of Crew Energy Inc. from July 2011 to October 2017. Mr. Morgan has also held senior management positions at Harvest Operations Corporation, Viking Energy Trust and Petrovera Resources Ltd. Mr. Morgan is a Professional Engineer in the Province of Alberta and received a Bachelor of Science degree in Chemical Engineering from the University of Saskatchewan.

#### Committee Memberships

None

#### Securities Held

Common Shares (as of March 8, 2024)	78,435
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#### Other Reporting Issuer Directorships

None

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## Connor Waterous

### Non-Independent Director<sup>(1)</sup> — Senior Vice President & Chief Financial Officer

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Alberta, Canada

Director since: April 2023

Mr. C. Waterous is currently the Senior Vice President & Chief Financial Officer of Strathcona, appointed in April 2023, and is a co-founder and Managing Director of WEF, a role he has served since December 2016. Mr. C. Waterous previously served as an associate on the energy team for Kohlberg Kravis Roberts from 2014 to 2017, was a member of the energy private equity team at the Blackstone Group and the natural resources investment banking group at Barclays Capital. Mr. C. Waterous has been a member of a variety of community organizations, including the Catholic Big Brothers and Big Sisters, and is currently a member of the Strathcona-Tweedsmuir School Alumni Board. Mr. C. Waterous holds a Bachelor of Arts degree with a concentration in Economics from Harvard College where he graduated Magna Cum Laude and was elected Phi Beta Kappa. Being in the top five percent of his class, he was designated a John Harvard Scholar.

#### Committee Memberships

None

#### Securities Held

Common Shares (as of March 8, 2024)	Nil
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#### Other Reporting Issuer Directorships

None

#### Note:

(1) Mr. C. Waterous is not independent as a result of being an executive officer of the Company. He is also a nominee of the WEF Manager pursuant to the WEF Investment Rights Agreement.

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## **WEF Investment Rights Agreement**

Pursuant to the WEF Investment Rights Agreement, which was entered into concurrently with the Pipestone Arrangement, the WEF Investors are entitled to certain director nomination and other shareholder rights.

While the Board consists of nine members, the WEF Manager will have the right to designate: (i) two director nominees for election to the Board for so long as the WEF Investors own or exercise control or direction over 5% or more of the outstanding common shares; (ii) four director nominees for election to the Board for so long as the WEF Investors exercise control or direction over 30% or more of the outstanding common shares; and (iii) five director nominees for election to the Board for so long as the WEF Investors exercise control or direction over 50% or more of the outstanding common shares. The nominees of the WEF Manager for election to the Board shall be required to, at all times while serving on the Board, meet the qualification requirements to serve as a director under the ABCA, applicable securities laws and the rules of any stock exchange on which the common shares are then listed for trading. No nominee may be an individual who is not acceptable to any stock exchange on which the common shares are then listed or any securities commission or similar regulatory authority in each of the provinces of Canada.

The nominees of the WEF Manager are Messrs. A. Waterous, C. Waterous, Kim, Hager and Ms. De Ciancio.

If the size of the Board is changed, the foregoing rights shall be adjusted accordingly such that the WEF Manager will be entitled to nominate the same percentage of the total number of members on the Board as it is entitled to based on a Board of nine directors.

For so long as the WEF Manager is entitled to have one or more nominees on the Board, the WEF Manager may designate one of the directors to be the chair of the Board, who, until he resigns or is replaced by the WEF Manager with another nominee, shall be Mr. A. Waterous. In addition, for so long as the WEF Manager is entitled to have one or more nominees on the Board, Strathcona shall be required to take such action as may be necessary to ensure that at least one of the nominees of the WEF Manager is appointed to each committee of the Board, if and as desired by the WEF Manager from time to time, subject to applicable laws relating to members and the composition of such committees.

Further, for so long as the WEF Manager is entitled to have one or more nominees on the Board, the WEF Manager may appoint a certain number of individuals to attend meetings of the Board (and any committee thereof) as non-voting observers, such that the aggregate number of directors nominated by the WEF Manager and the number of non-voting observers appointed by the WEF Manager shall be equal to seven, provided that, notwithstanding the foregoing, for so long as one or more of the initial nominees of the WEF Manager are not affiliated with the WEF Manager or the WEF Investors, the WEF Manager shall have the right to appoint one additional non-voting observer.

The foregoing summary is qualified in its entirety by reference to the provisions of the WEF Investment Rights Agreement. A copy of the WEF Investment Rights Agreement is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and a summary of further details has been included in the Company's most recent AIF, which is also available under the Company's profile on SEDAR+.

## Director Compensation

Following the completion of the Pipestone Arrangement, the Company implemented an annual cash retainer of \$200,000 for independent directors. The total compensation paid to directors of Strathcona during the year ended December 31, 2023, other than directors who also serve as executives of Strathcona, is set out in the table below. In 2023, directors' compensation was not paid to non-independent directors.

Name	Fees earned (\$)	All other compensation (\$)	Total (\$)
Cody Church	50,000 <sup>(1)</sup>	-	50,000
Navjeet (Bob) Singh Dhillon	50,000 <sup>(1)</sup>	-	50,000

### Note:

(1) Fees earned are from October 3, 2023, the date of the appointment of Messrs. Church and Dhillon to the Board.

In accordance with the Company's share ownership guidelines, the minimum share ownership requirement for independent directors has been set to common shares valued at 300% of the total annual retainer. Directors are required to reach this level within five years of becoming subject to the share ownership guidelines, or five years from the date of any increase in their annual retainer, as applicable. Based upon the annual cash retainer of \$200,000 for 2024, the minimum director share ownership requirement for each of Messrs. Church and Dhillon is currently \$600,000 worth of common shares and each of them has until October 3, 2028 to achieve this level of ownership.

## Additional Information Regarding Directors

### Director Attendance

The table below shows the record of attendance by directors at meetings of the Board and its committees during the 12-month period ended December 31, 2023.

	Board	Audit Committee	Reserves Committee	Nominating Committee <sup>(1)</sup>	Compensation Committee <sup>(1)</sup>	Overall Attendance
Adam Waterous	6/6	3/3 <sup>(2)</sup>	1/1 <sup>(3)</sup>	-	-	10/10
Steve Fagan	5/6	2/3 <sup>(2)</sup>	1/1 <sup>(3)</sup>	-	-	8/10
Navjeet (Bob) Singh Dhillon	1/1 <sup>(4)</sup>	1/1 <sup>(2)</sup>	- <sup>(3)</sup>	-	-	2/2
Cody Church	1/1 <sup>(4)</sup>	1/1 <sup>(2)</sup>	- <sup>(3)</sup>	-	-	2/2
Connie De Ciancio	1/1 <sup>(4)</sup>	-	-	-	-	1/1
Henry Hager	6/6	-	1/1	-	-	7/7
Andrew Kim	6/6	4/4	-	-	-	10/10
Rob Morgan	6/6	-	-	-	-	6/6
Connor Waterous	4/4 <sup>(5)</sup>	-	-	-	-	4/4

### Notes:

- (1) The Nominating Committee and Compensation Committee were established on October 3, 2023 in connection with the Pipestone Arrangement, and there were no meetings held during 2023.
- (2) The Board resolved to change the composition of the Audit Committee in connection with the Pipestone Arrangement effective October 3, 2023, resulting in the addition of Messrs. Church and Dhillon and the removal of Messrs. A. Waterous and Fagan. There was one Audit Committee meeting held between October 3, 2023 and December 31, 2023.
- (3) The Board resolved to change the composition of the Reserves Committee in connection with the Pipestone Arrangement effective October 3, 2023, resulting in the addition of Messrs. Church and Dhillon and the removal of Messrs. A. Waterous and Fagan. There were no Reserves Committee meetings held between October 3, 2023 and December 31, 2023.



- (4) Messrs. Church and Dhillon and Ms. De Ciancio were appointed to the Board on October 3, 2023 in connection with the Pipestone Arrangement.
- (5) Mr. C. Waterous was appointed to the Board on April 3, 2023.

### **Corporate Cease Trade Orders, Penalties or Sanctions, Bankruptcies**

Except as described below, no proposed director is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Strathcona) that: (i) was subject to 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, in each case, that was in effect for a period of more than 30 consecutive days (an "**Order**"), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as described below, no proposed director is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including Strathcona) that, while the proposed director 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.

Mr. Fagan and Ms. De Ciancio each acted as officers of Mosaic on, or during the 12-months preceding, April 26, 2016, the date on which Mosaic was placed into receivership (the "**Receivership Order**"). Following the Receivership Order, a sale and solicitation process was undertaken, resulting in three separate transactions, in which, all of Mosaic's oil and gas properties were sold for proceeds sufficient to fully repay the creditors of Mosaic and provide a recovery to the shareholders of Mosaic in the aggregate amount of approximately \$160 million.

In connection with a reorganization of Bellatrix Exploration Ltd. ("**Bellatrix**"), the bondholders of Bellatrix appointed four new directors to the board of directors of Bellatrix in June of 2019, including Mr. Church. On October 2, 2019, an initial order under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") was granted to Bellatrix, whereby PricewaterhouseCoopers Inc. was appointed as Monitor. On July 7, 2020, during the CCAA proceedings, the Alberta Securities Commission issued a cease trade order against Bellatrix as a result of its failure to file interim filings related to the interim period ended March 31, 2020. The remaining directors of Bellatrix resigned on May 25, 2021. The CCAA process formally concluded on September 21, 2022, following a reorganization involving Bellatrix and Spartan Delta Corp.

No proposed director has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such proposed director.

No proposed director has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## CORPORATE GOVERNANCE

The disclosure set out below includes disclosure required by NI 58-101 describing the Company's approach to corporate governance.

### **Board of Directors**

#### ***Size of the Board of Directors***

Should all proposed director nominees be elected at the Meeting, the Board of Directors will be composed of nine members after the Meeting. We consider the size of the Board of Directors and its committees to be appropriate. Biographical details with respect to the director nominees can be found on [pages 8 to 12](#) of this Circular.

#### ***Board of Directors and Committee Mandates***

The Board of Directors, either directly or through its committees, is responsible for the stewardship of the Company. It is responsible for the supervision of the management of the business and affairs of the Company. In carrying out its duties, the Board of Directors will provide direction to management to pursue the Company's best interests. The mandate of the Board of Directors (reproduced in Appendix A of this Circular) sets out the duties and responsibilities of the Board of Directors. Oversight of the Company's strategy, ESG matters, human resource management and risk management are some of the key responsibilities of the Board of Directors, and are discussed in the following pages.

The mandates of the Board of Directors and all its committees authorize independent access to external consultants and advisors to carry out their respective responsibilities.

### **Board Oversight Responsibilities**

In accordance with its mandate, the Board of Directors is responsible for supervising the management of the business and affairs of the Company. These responsibilities include:

- **Strategic Planning:** reviewing, approving and overseeing the Company's strategic planning process and short- and long-term strategic and business plans.
- **Risk Management:** reviewing the principal risks associated with the Company's business and operations (including, but not limited to, risks related to information security, as well as environmental, social and governance) and the implementation and operation of risk mitigation systems.
- **Human Resource Management:** reviewing and approving the appointment, compensation and terms of employment of the Chief Executive Officer and senior management in light of the organizational goals and objectives of the Company.
- **Corporate Governance:** developing, reviewing and monitoring the Company's approach to corporate governance and overseeing potential risks related to governance matters.
- **Environmental and Social Matters:** overseeing the Company's general strategy, policies and initiatives relating to material environmental and social matters.

### ***ESG Oversight***

ESG factors of material value or risk to the Company are incorporated into the long-term strategic objectives of the Company, with oversight by the Board. Quarterly, our management team provides an

update to the Board on ESG-related topics, including climate-related matters. This informs the Board's understanding of current operations and potential risks and opportunities to our business and allows the Board to exercise its oversight and provide input relating to such risks and opportunities. Climate-related matters are discussed at these meetings to ensure the Board maintains a consistent level of oversight on climate risks, opportunities, and asset-specific emission sources. The continuous review and insight into ESG metrics, including emissions data, policy or regulatory changes, technical innovations and climate-related funding opportunities, enables the Board to identify material changes and guide future strategic decisions. Additionally, this flow of information and oversight supports the development of effective business plans such as capital expenditures, acquisitions, policies, annual budgets and performance objectives. A detailed overview of our ESG objectives, standards and performance is available in the Sustainability section of the Company's website at [www.strathconaresources.com](http://www.strathconaresources.com).

### ***Risk Management Oversight***

At least annually, the Board reviews reports provided by management and committees of the Board on the principal risks associated with the Company's business and operations (including, but not limited to, risks related to information security, as well as environmental, social and governance), reviews the implementation by management of appropriate systems to identify, assess, manage and mitigate these risks, and reviews reports by management relating to the operation of, and any material deficiencies in, these systems.

Climate-related risks are incorporated into Strathcona's overall risk management program and are assessed comparably to other business risks. Specific to climate-related risks, we engage an external government relations strategist to advise on changing and new policies and regulations. Staying apprised of changes helps to inform our strategy and identify areas in which operations and activities require modifications or further examination. Our materiality assessment process also identifies material climate-related risks and areas of focus for the business. Our management team and their teams share the responsibility for managing these risks while exploring opportunities to limit our exposure and increase our resilience.

As we progress with digitalization and automation, computer systems can become environments that pose an operational risk. Strathcona has a comprehensive enterprise-wide cybersecurity program and incident response plan with several technical security measures to provide added levels of protection for our information assets, including periodic external assessments and cybersecurity training for employees.

For a detailed explanation of the significant risks applicable to Strathcona and its businesses, see "*Risk Factors*" in our AIF.

### **Position Descriptions**

The Board of Directors' mandate and the position descriptions of the Chair of the Board, the committee Chairs, the Lead Director and the Chief Executive Officer define their respective roles and responsibilities. The description of the functions of the Chief Executive Officer, as well as principal oversight functions, delineate management's responsibilities. These mandates, the by-laws of the Company and Board of Directors' resolutions adopted from time to time clearly define the limits to management's authority, including signature authority limits.

The position descriptions of the Chair of the Board, the committee Chairs, the Lead Director and the Chief Executive Officer are available in the Investor section of the Company's website at [www.strathconaresources.com](http://www.strathconaresources.com).

## Board Committees

In addition to the responsibilities described elsewhere in this Circular, the following provides a brief summary of the key functions, roles and responsibilities of Strathcona's Board committees. The complete text of the mandate of each Board committee is available on Strathcona's website at [www.strathconaresources.com](http://www.strathconaresources.com).

Committee and Members	Responsibilities
<b>Audit Committee</b> Cody Church (Chair) Navjeet (Bob) Singh Dhillon Andrew Kim	<p>The Audit Committee assists the Board in matters relating to Strathcona's external auditors and the audit process, financial reporting and public communication, risk management, information security and certain other key financial matters. The Audit Committee also assists the Board in matters relating to internal controls of Strathcona's business processes.</p> <p>The Audit Committee plays a key role in relation to Strathcona's external auditors. It initiates and approves their engagement (including fees), subject to shareholder approval, or termination and monitors and reviews their independence, qualifications and performance.</p> <p>The Audit Committee reviews with management and external auditors, and as appropriate approves, financial reporting matters, the conduct and results of the annual audit, finance and accounting policies and other financial matters. The Audit Committee also reviews, and approves for recommendation to the Board, Strathcona's annual and quarterly financial statements and annual and quarterly management discussion &amp; analysis.</p> <p>The Audit Committee is responsible for overseeing management's identification and assessment of the principal risks to the operations of the Company and the establishment and operation of appropriate systems to manage such risks with a view to achieving a proper balance between risks incurred and potential return to holders of securities of the Company and the long-term viability of the Company.</p> <p>The Audit Committee also reviews the Company's policies relating to the avoidance of conflicts of interest and reviews and approves all payments to be made pursuant to any related party transactions involving executive officers and members of the Board or any significant shareholders of the Company.</p> <p>Members of the Audit Committee are required to be financially literate. All of Strathcona's directors, including all members of the Audit Committee, are considered financially literate. The Board has also determined Mr. Kim to be an "audit financial expert".</p> <p>The information regarding Strathcona's audit committee as required by section 5.1 of National Instrument 52-110 – <i>Audit Committees</i> is set forth in the AIF under the heading "Audit Committee Information".</p>
<b>Reserves Committee</b> Cody Church (Chair) Navjeet (Bob) Singh Dhillon Henry Hager	<p>The Reserves Committee is responsible for appointing and overseeing an independent qualified reserves evaluator and overseeing and managing the overall process relating to the reporting of Strathcona's reserves and resources data and other oil and gas information and risks.</p> <p>The Reserves Committee, at least annually, reviews the risks and level of uncertainty associated with the recovery of reserves and resources from the Company's oil and gas properties and the Company's provisions for and experience in respect of abandonment and reclamation costs to ensure adequate provision for the future abandonment and reclamation of all wells, plants and facilities.</p> <p>A majority of the members of the Reserves Committee must satisfy the independence requirements set forth in National Instrument 51-101 – <i>Standards of Disclosure for Oil and Gas Activities</i>. The Board has determined that a majority of the members of the Reserves Committee meet this requirement as Messrs. Church and Dhillon are considered independent.</p>

Committee and Members	Responsibilities
<p><b>Nominating Committee</b></p> <hr/> <p>Adam Waterous (Chair) Navjeet (Bob) Singh Dhillon Henry Hager</p>	<p>The Nominating Committee is responsible for establishing policies and procedures for identifying director nominees, developing a succession plan for the Board, recommending the director nominees for consideration by shareholders and the directors to serve on the committees of the Board, undertaking periodic assessments of the size and independence of the Board, reviewing and monitoring the Company's director education program and examining and making recommendations to the Board in relation to mechanisms of Board renewal.</p> <p>As a result of Messrs. A. Waterous and Hager acting as members of the Nominating Committee, the Nominating Committee is not composed entirely of independent directors. In order to encourage an objective nomination process, the Nominating Committee is expected to provide periodic reports to the Board of Directors concerning nomination matters and recommendations concerning potential nominees for election or appointment to the Board.</p>
<p><b>Compensation Committee</b></p> <hr/> <p>Navjeet (Bob) Singh Dhillon (Chair) Cody Church Andrew Kim</p>	<p>A detailed discussion of the responsibilities of our Compensation Committee can be found on <a href="#">page 24</a>.</p>

## Director Independence

A director is independent if that director, or an immediate family member, has no direct or indirect material relationship with the Company, its subsidiaries or its auditors, and is not a partner, officer or significant shareholder of an entity that has a material relationship with the Company.

Two of the nine candidates proposed for election qualify as independent, as they are independent of management and free from any interest, function, business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the Company's best interest. Mr. Morgan, Mr. C. Waterous and Ms. De Ciancio are not considered independent given their current positions as executive officers of Strathcona. Mr. A. Waterous, Mr. Kim, and Mr. Hager are not considered independent as a result of each being executive officers or employees of WEF. Mr. Fagan is not considered independent as he acted as an executive officer of the Company until August 2021. Additional information relating to each director standing for election can be found on [pages 8 to 12](#) of this Circular.

The majority of the Board is not independent. To facilitate the exercise of independent judgment in carrying out its responsibilities, the written mandate of the Board confirms the Board's support of the practice of meeting regularly without non-independent directors and management so as to facilitate candid discussion among the independent directors. Accordingly, where matters arise at meetings of the Board which require decision making and evaluation that is independent of management and interested directors, the Board may hold in-camera sessions among the independent and disinterested directors, without management and interested directors present at such meeting. Further, Mr. Dhillon has been appointed as the independent Lead Director. The primary role of the Lead Director is to: (i) provide advice to the Chair of the Board to ensure the Board functions effectively and independently; (ii) together with the Chair of the Board, be satisfied that the responsibilities of the Board are effectively carried out in compliance with the Board's mandate and that the functions of the Board delegated to the committees of the Board are effectively carried out and reported to the Board; and (iii) identify conflicts of interest among the officers of the Company and non-independent members of the Board, and ensure proper corporate governance practices in light of such conflicts.

In 2023, an in-camera meeting of the independent directors was held at all meetings of the Board of Directors following the completion of the Pipestone Arrangement and the concurrent appointment of Messrs. Church and Dhillon as independent directors (i.e., one meeting). It is also the practice of each committee of the Board of Directors to meet in-camera immediately following each of its meetings.

Following the completion of the Pipestone Arrangement, the audit committee held one meeting, which included an in-camera meeting of independent directors. No other committees held meetings in 2023 after the completion of the Pipestone Arrangement, and as such, no other committees held in-camera meetings.

Although Mr. A. Waterous, as the Managing Partner and Chief Executive Officer of WEF, is not independent for the purposes of NI 58-101, the Board has determined that he is independent of management and is able to exercise the impartial judgment necessary to fulfill his responsibilities as a director and as the Chair of the Board. The Chair of the Board has the responsibility to, among other things, oversee the Board's discharge of its duties, work with the committees appointed by the Board to ensure they are effectively structured and function properly and take steps to foster the Board's understanding of its responsibilities and relationship with management. The Chair of the Board also acts as a liaison for all directors and committee Chairs to coordinate input from the directors and to optimize the effectiveness of the Board and its committees. In addition, the Chair of the Board communicates with management so that they are aware of the concerns of the Board, shareholders and other stakeholders. Notwithstanding the foregoing, where matters or circumstances arise or come before the Board which involve an actual or potential conflict between Strathcona and WEF, Mr. A. Waterous is required to disclose such conflict, and the Board may, among other options available to it, consider the appointment of an independent committee to consider such matters or circumstances or it may hold in-camera sessions without Mr. A. Waterous present.

Mr. Dhillon sits on the board of directors of one other reporting issuer, Mainstreet Equity Corp. Except for Mr. Dhillon, none of Strathcona's directors are currently directors of any other reporting issuers.

### **Nomination of Directors**

The Nominating Committee assists the Board in fulfilling its responsibilities with respect to nominations of directors. The responsibilities of the Nominating Committee are set forth on [page 24](#). In making recommendations to the Board regarding director nominations, the Nominating Committee considers all relevant factors, including: (i) the needs of the Company and its stage of development; (ii) the competencies and skills that are considered necessary for the Board, as a whole, to possess; (iii) the competencies and skills that each existing director possesses; (iv) the competencies and skills any new nominee would bring to the Board; (v) whether or not any new nominee can devote sufficient time and resources to fulfill his or her duties as a member of the Board, (vi) any agreements or other arrangements concerning the size, qualifications or composition of the Board or that provide one or more of the parties with nomination rights, and (vii) independence and other requirements under applicable law.

### **Advance Notice By-Law**

Strathcona's By-Law No. 2, *A By-Law Relating to Advance Notice of Nominations of Directors* ("**By-Law No. 2**") sets out a framework for advance notice of nominations of persons for election to the Board. By-Law No. 2 sets deadlines for a certain number of days before a shareholders' meeting for a shareholder to notify the Company of their intention to nominate one or more directors, and explains the information that must be included with the notice for it to be valid. By-Law No. 2 applies at an annual meeting of shareholders or a special meeting of shareholders that was called to elect directors (whether or not also called for other purposes), and may be waived by the Board. It does not affect the ability of shareholders to requisition a meeting or make a proposal under the ABCA. The purpose of this requirement is to treat all shareholders fairly by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of director nominations and sufficient information with respect to all director nominees in connection with any annual or special meeting of shareholders. The Board believes that this requirement establishes a transparent and fair process for all shareholders to follow if they intend to nominate directors, and for all shareholders to have sufficient time and information before they vote for the election of directors. By-Law No. 2 is also intended to facilitate an orderly and efficient meeting process. By-Law No. 2 is available on our website at [www.strathconaresources.com](http://www.strathconaresources.com) and on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### ***Board of Directors and Board Member Assessment***

As at the date hereof, Strathcona does not have a formal process in place to assess the performance of the Board, its committees or its individual members; however, the Board regularly assesses performance on an informal basis, including by seeking feedback from its key stakeholder groups.

### ***Director Term Limits***

The Board believes that issues relating to board effectiveness, board renewal and board succession planning are best addressed by a strong Chair of the Board and high-performance board members. The Board is concerned that imposing arbitrary and inflexible director term limits may result in Strathcona losing valued directors at a time when Strathcona most needs their skills, qualities and contributions, as well as their knowledge of the history and culture of Strathcona. Mandatory retirement ages pose the same risk, and the Board does not want to risk the loss of key directors to retirement policies that seem unnecessarily arbitrary and inflexible when such policies may require a high-performing director to retire from the Board. As a result, the Board does not feel that it would be appropriate to set term limits for its directors but rather relies on the experience of its members to determine when changes to the Board's composition are appropriate.

### ***Representation of Women on the Board and in Executive Officer Positions***

Strathcona has not adopted any written policy or set any targets or mandatory quotas relating to the identification and nomination of directors or executive officers who are female. Strathcona does not specifically consider the level of representation of women on the Board or in executive officer positions when identifying and nominating candidates for election to the Board or making executive officer appointments, as applicable. Strathcona has not adopted a written policy regarding women on the Board or in executive officer positions. Strathcona believes that adopting gender-based quotas directly conflicts with its long held practice of nominating and recruiting the best available candidates. The Nominating Committee evaluates potential nominees to the Board by reviewing the individual qualifications of prospective board members by considering such person's skills, competencies and experience, and then, based on that review, determines if the candidate's qualifications are relevant taking into consideration the current board composition and the anticipated skills required to round out the capabilities of the Board.

The Board currently has one female director (11%) out of a total of nine directors. Strathcona has one female executive officer (12%) out of eight total executive officers.

### ***Majority Voting Policy***

The Board has not adopted a majority voting policy for the election of directors. The Company is exempt from the TSX requirement to adopt such a policy because the WEF Shareholders have a 90.8% voting interest in the Company and is able to control the election and removal of directors serving on the Board.

### ***Orientation and Continuing Education***

All new Strathcona directors receive an orientation as to their expected duties and the business of Strathcona and its subsidiaries. This baseline of knowledge serves as a foundation for informed decision-making. Orientation includes a combination of written material, one-on-one meetings with management of Strathcona and briefings from other members of the Board. Further, Strathcona's directors have ongoing opportunities to increase their knowledge and understanding of Strathcona's business through briefings from management, third-party consultants and advisors on industry issues and trends as well as relevant legal and financial developments.

## **Ethical Business Conduct**

### ***Code of Conduct***

The Board of Directors has adopted a written code of conduct to ensure that Strathcona's directors, officers, employees and contractors adhere to ethical standards and obey laws.

Each employee and contractor of Strathcona is provided a copy of our code of conduct, which can be accessed on Strathcona's internal intranet site, as part of their onboarding, and must acknowledge in writing their understanding of the policy. The code of conduct is also available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Board has overall responsibility for monitoring compliance with the code of conduct. To the extent that management is unable to determine whether a breach of the code of conduct has taken place, the Board will review any alleged breach of the code of conduct to determine if a breach has occurred.

In addition, the Board has established an Investigation of Complaints Policy whereby complaints, concerns or suspected violations of our code of conduct may be reported confidentially and anonymously. Strathcona maintains an integrity hotline that is administered by an independent third-party provider, the contact details of which are available on both Strathcona's internal intranet and external website.

### ***Conflicts of Interest***

Strathcona's code of conduct prohibits activities that could give rise to conflicts of interest unless specifically approved in advance by the Board.

Some of Strathcona's directors and officers are engaged and will continue to be engaged in, other activities in the oil and gas industry from time to time, including the employment by, or other involvement in or with, WEF. As a result of these and other activities, certain directors and officers of Strathcona may become subject to conflicts of interest from time to time. Conflicts of interest, if any, are subject to and governed by procedures prescribed by the ABCA, which provide that in the event that an officer or director is a party to, or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction, such officer or director shall disclose such officer's or director's interest and, with respect to a director, to refrain from voting on any matter in respect of such contract or transaction unless otherwise permitted under the ABCA. Further, the Audit Committee periodically reviews the Company's policies relating to the avoidance of conflicts of interest and reviews and approves all payments to be made pursuant to any related party transactions involving executive officers and members of the Board or any significant shareholders of the Company.

### ***Insider Trading Policy***

Strathcona has adopted an insider trading policy. The purpose of this policy is to ensure that all insiders, particularly those with access to material undisclosed information, are aware of: (i) their responsibilities to comply with applicable securities laws and applicable stock exchange rules; (ii) the restrictions on trading of securities of the Company and corporate communication activities during certain periods; and (iii) the requirement of Reporting Insiders who trade securities of the Company to file insider reports in compliance with applicable securities laws. This policy applies to all directors, officers, employees, contractors and Reporting Insiders of Strathcona.



## STATEMENT OF EXECUTIVE COMPENSATION

### Executive Compensation Overview

Our **compensation philosophy** is based on the following key objectives:

Attracting, maintaining and motivating top quality team members

Maintaining an appropriate relationship between pay and the creation of value for shareholders

Aligning total compensation to Strathcona's peer group to be competitive with similar roles

More information on our compensation philosophy can be found on [page 24](#) of this Circular.

Strathcona's executive **compensation framework** is key to supporting our strategy and promoting our values. It aims for an appropriate balance between fixed and variable compensation that encourages participation and behaviour aligning with our strategy and the long-term interests of Strathcona, our shareholders and other stakeholders. The components of our executive compensation framework are as follows:

Direct Compensation	Indirect Compensation
<ul style="list-style-type: none"><li>• Base Salary</li><li>• Annual Incentive Plan Payment</li></ul>	<ul style="list-style-type: none"><li>• Group Benefits</li><li>• Savings Plan</li><li>• Perquisites</li></ul>

More information on Strathcona's executive compensation framework can be found on [pages 26 to 27](#) of this Circular.

Our **2023 compensation highlights** include:

- Strathcona adopted Share Ownership Guidelines to align the interests of independent directors, executive officers and certain other employees with the long-term interests of Strathcona and its shareholders by requiring that independent directors, executive officers and such other employees hold a meaningful equity ownership interest in Strathcona.

Our **Named Executive Officers** or NEOs who are the focus of the Compensation Discussion and Analysis and who appear in the compensation tables are:

<b>Rob Morgan</b>	President and Chief Executive Officer
<b>Connor Waterous<sup>(1)</sup></b>	Senior Vice President and Chief Financial Officer
<b>Dale Babiak</b>	Vice President, Production Operations
<b>Connie De Ciancio</b>	Vice President, Corporate
<b>Al Grabas</b>	Vice President, Capital Operations
<b>Nolan Lerner</b>	Vice President, Development – Montney & Conventional Heavy
<b>Scott Seipert</b>	Vice President, Finance
<b>Mark Teasdale</b>	Vice President, Development – Thermal

**Note:**

(1) Mr. C. Waterous was appointed Senior Vice President and Chief Financial Officer on April 21, 2023.

## **Compensation Discussion and Analysis**

### ***Compensation Philosophy***

Strathcona competes with many other corporations for executive talent and technical and non-technical staff, and Strathcona's management believes that it is in the best interests of shareholders for Strathcona to attract, maintain and motivate top quality personnel by providing a competitive compensation package that maintains an appropriate relationship between pay and the creation of value for shareholders. As such, the Board, with the assistance of the Compensation Committee, determines compensation packages that are consistent with market conditions and align total compensation to that of Strathcona's peer group or to be competitive with similar roles at other organizations through participation in industry compensation surveys. The compensation of all employees, including executive officers, is consistent with the above practices.

The Board believes Strathcona's executive compensation philosophy encourages alignment, dedication, and commitment to the ongoing growth and success of Strathcona, without motivating them to take unnecessary risk.

### ***Compensation Governance***

#### **Board of Directors**

Strathcona's executive compensation program is administered by the Board of Directors, with the assistance of the Compensation Committee.

#### **Compensation Committee**

The role and operation of the Compensation Committee under its mandate includes assisting the Board annually in the areas of executive compensation, succession planning and compensation governance. Key objectives in these areas include:

- reviewing and making recommendations to the Board with respect to organizational goals and objectives relevant to Chief Executive Officer compensation;
- evaluating the Chief Executive Officer's performance in light of those organizational goals and objectives, and making recommendations to the Board with respect to the Chief Executive Officer's compensation level based on this evaluation;
- reviewing and recommending for Board approval, the appointment and other terms of employment for the Chief Executive Officer, including the adoption, amendment and termination of such agreements, arrangements or plans;
- reviewing the recommendations to the committee of the Chief Executive Officer with respect to the appointment of members of senior management and, if advisable, making recommendations to the Board with respect to any such appointments;
- reviewing the recommendations to the committee of the Chief Executive Officer respecting the compensation and other terms of employment of members of senior management and, if advisable, making recommendations to the Board with respect to such compensation and other terms of any employment agreements and any severance arrangements or plans;
- periodically reviewing and making recommendations to the Board with respect to succession planning matters concerning the Chief Executive Officer and members of senior management, as well as general executive development programs and the development of the succession plans of the Company;

- reviewing and recommending for Board approval, the remuneration (fees and/or retainer) to be paid, and the benefits to be provided, to members of the Board and each of its committees; and
- considering the potential risks associated with the adoption of the Company's compensation policies and practices and the adoption of particular organizational and individual objectives under such policies and practices.

The Compensation Committee fulfilled its mandate, as summarized in this section, with respect to 2023.

The Compensation Committee is currently comprised of the following members: Navjeet (Bob) Singh Dhillon (Chair), Cody Church and Andrew Kim. Each of Messrs. Dhillon and Church are independent. Mr. Kim is not considered independent due to his relationship with WEF. The Board believes Mr. Kim is able to exercise the impartial judgement necessary to fulfill his responsibilities as a member of the Compensation Committee.

The Compensation Committee members have experience in leadership roles involving compensation evaluation, determination and administration. This background provides the Compensation Committee with the collective experience, skills and qualities to effectively make decisions on the suitability of the Company's compensation policies and practices and to support the Board in carrying out its mandate. Further information on Compensation Committee member experience and skills is provided on [pages 8 to 12](#) of this Circular.

### **Peer Group and Benchmarking**

The Board reviews Strathcona's compensation peer group annually to identify additional companies that should be considered within Strathcona's compensation peer group as well as those companies that should be removed. In considering potential comparators for executive compensation, the Board may look at a number of metrics, including industry and operational fit, market capitalization, total assets and revenues and production. Based on the foregoing factors, the Board considers the following companies to be in Strathcona's peer group in respect of executive compensation: MEG Energy Corp., Baytex Energy Corp., Whitecap Resources Inc. and Crescent Point Energy Corp.

Strathcona also relies on publicly available data sources and participates in Mercer Canada's annual energy industry compensation survey, which entitles the Company to access and use Mercer's compensation data to benchmark the Company's compensation against other market participants. Strathcona also participates in other local energy based human resource groups.

### **External Consultants and Advisors**

Strathcona and the Compensation Committee may engage external advisors to provide advice and information regarding the development of compensation policies, to benchmark Strathcona's pay and performance against a group of peer companies and to conduct comparative pay analyses. No external advisors were retained in 2023.

### **Compensation Risk Management**

As part of its mandate, the Compensation Committee considers potential risks associated with the adoption of the Company's compensation policies and practices and the adoption of particular organizational and individual objectives under such policies and practices. While the oil and gas industry, by its nature, requires some level of risk taking, Strathcona structures compensation plans and programs to limit excessive risk. The Compensation Committee does not believe that there are any identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse impact on the Company.

## Share Ownership Guidelines

To align individual interests with the long-term interests of Strathcona and its shareholders, our share ownership guidelines require executive officers and select other employees, as designated by the Chief Executive Officer, to hold a meaningful equity ownership interest in Strathcona. This approach creates alignment between the interests of Strathcona's executive officers and its investors. Participants are required to achieve and maintain the following levels of ownership of common shares (based on their then current annual salary), within five years of becoming subject to the share ownership guidelines or five years from the date of any increase in their annual retainer or salary, as applicable:

Role	Minimum Ownership Level
Chief Executive Officer and Chief Financial Officer	500%
Other Executive Officers	200%
Other Designated Employees	100%

Further information on the share ownership guidelines that apply to our independent directors is provided on [page 14](#) of this Circular.

### *Anti-Hedging Policy*

The Company's insider trading policy contains anti-hedging provisions which prohibit directors, officers, employees and contractors of Strathcona from engaging in short selling securities of Strathcona or purchasing financial instruments (including, but not limited to, puts, calls, options, prepaid variable forward contracts, equity swaps, collars or units of exchange funds) that are designed to hedge or offset, or that may reasonably be expected to have the effect of hedging or offsetting, a decrease in the market value of the securities of Strathcona.

### **Executive Compensation Framework and its Components**

Strathcona's compensation components aim for a balance between fixed and variable pay to encourage participation and behaviour that aligns with the longer-term interests of Strathcona, its shareholders and other stakeholders. Strathcona's executive compensation components in 2023 included both direct and indirect compensation elements.

### **Base Salary**

Our base salaries provide a fixed level of competitive pay that reflects each executive officer's primary duties and responsibilities. Base salary is intended to provide executive officers with a market-competitive level of income certainty.

The actual base salary of each executive officer reflects numerous factors relevant to the executive, including the complexity of their roles, the function each NEO plays in Strathcona's development and the need to attract and retain talented individuals. Strathcona determines base salaries for its executive officers by referencing market data, including salaries of executive officers in its peer group and by participating in salary surveys for the Canadian oil and gas industry. Base salaries are reviewed annually and may be adjusted based on performance and/or prevailing market conditions.

## **Annual Incentive Plan Payment**

Strathcona's annual incentive plan rewards performance and progress towards the long-term goals of Strathcona during the calendar year. The annual incentive plan is intended to provide an element of variable compensation that is competitive and that is intended to assist in the attraction and retention of high-quality employees, encourage employees to contribute to the goals of Strathcona, and to reward specific contributions and exceptional results that improve Strathcona's financial, operating, health, safety and environmental performance. All executive officers and permanent employees are eligible for an annual cash payment under the annual incentive plan.

The amount of Strathcona's annual incentive plan is determined at the discretion of the Board of Directors, taking into consideration Strathcona's annual performance across the below three categories, among other considerations. A corporate factor ranging from 0 and 1.00 is applied to the maximum amount executive officers and permanent employees may earn under the annual incentive plan to determine annual incentive payment amounts.

<b>Category</b>	<b>Metric(s)</b>	<b>Notional Weighting</b>
Capital Efficiency	Finding and development costs on Strathcona's proved developed producing and proved plus probable reserves (\$/boe) <sup>(1)</sup>	50%
Operating Costs	Total production and operating costs divided by total production volumes (\$/boe)	25%
Health, Safety and Environment	Total reportable incident performance, spill performance and regulatory inspections on an annual basis	25%

### **Note:**

- (1) Finding and development costs are calculated by the sum of capital expenditures plus the change in future development capital for both proved developed producing and proved plus probable reserves in the relevant period, divided by changes in total reserves, other than from production, for the period.

In respect of 2023, the Compensation Committee evaluated Strathcona's overall corporate performance, including against the three categories listed above. Following this evaluation, the Compensation Committee recommended, and the Board approved, a corporate factor of 0.80 be applied to 2023 annual incentive plan payments, underscoring their confidence in Strathcona's accomplishments and strategic trajectory for the year.

## **Group Benefits, Savings Plan and Perquisites**

Strathcona's indirect compensation elements provide each participant and their families with competitive savings and benefits programs and perquisites that best meet their needs and lifestyle.

Executives participate in the same group benefit plan as employees, which provides a comprehensive suite of medical, dental, life, disability and other insurance coverage, as well as an annual health or lifestyle spending account, for themselves and their dependents.

Strathcona's savings plan allows executives and permanent employees to contribute a portion of their salary to a group Registered Retirement Savings Plan or group Non-Registered Retirement Plan managed by a third-party administrator. Investment options include a daily interest account, a guaranteed investment, a variable investment fund or the purchase of common shares of Strathcona. Employee contributions are matched 1:1 by Strathcona in an amount up to 9% of their salary.

Perquisites include transportation and/or parking allowances.

Strathcona does not provide a pension plan, options or share-based compensation to its officers or employees.

## Summary Compensation Table

Name and Position	Year	Salary (\$)	Annual Incentive Plan <sup>(1)</sup> (\$)	All Other Compensation <sup>(2)</sup> (\$)	Total Compensation (\$)
<b>Rob Morgan</b> <i>President and CEO</i>	2023	500,000	2,200,001	50,400	2,750,401
<b>Connor Waterous<sup>(3)</sup></b> <i>Senior Vice President and CFO</i>	2023	220,718	804,822	23,690	1,049,229
<b>Dale Babiak</b> <i>Vice President, Production Operations</i>	2023	312,000	873,600	63,708	1,249,308
<b>Connie De Ciancio</b> <i>Vice President, Corporate</i>	2023	312,000	873,600	33,480	1,219,080
<b>Al Grabas</b> <i>Vice President, Capital Operations</i>	2023	312,000	873,600	31,113	1,216,713
<b>Nolan Lerner</b> <i>Vice President, Development – Montney &amp; Conventional Heavy</i>	2023	312,000	873,600	33,480	1,219,080
<b>Scott Seipert</b> <i>Vice President, Finance</i>	2023	312,000	873,600	33,480	1,219,080
<b>Mark Teasdale</b> <i>Vice President, Development – Thermal</i>	2023	312,000	873,600	33,480	1,219,080

### Notes:

- (1) Annual incentive plan payments in respect of 2023 performance were approved by the Board in March 2024 and will be paid in April 2024.
- (2) All other compensation includes the value of transportation allowances and the value of employer contribution matching as part of Strathcona's savings plan.
- (3) Mr. C. Waterous was appointed Senior Vice President and Chief Financial Officer on April 21, 2023.

Mr. Makinson, the former Senior Vice President and Chief Financial Officer of Strathcona, received total compensation of \$1,848,889 in 2023, comprised of \$135,897 in salary and \$1,712,992 in other compensation, which includes a termination payment consistent with his executive employment agreement. Mr. Makinson retired on April 21, 2023.

### Termination and Change of Control Benefits

Messrs. Morgan, Babiak, Lerner, Teasdale and Grabas are each a party to an executive employment agreement, which outlines the terms of employment for an indefinite term and contains provisions regarding, among others, confidentiality, non-solicitation of employees and termination of employment. Such employment agreements provide for a lump sum cash payment (the "**Termination Payment A**") to be made to an executive officer upon (a) termination by Strathcona without cause, and (b) receipt by Strathcona of a release by the executive officer in favour of Strathcona. The Termination Payment A is equal to: (i) the unpaid portion of the executive officer's annual salary and vacation pay accrued through to the date of termination; plus (ii) an amount equal to the executive officer's annual salary, representing a 12-month notice period (the "**Notice Payment**"); plus (iii) an amount equal to 15% of the executive officer's annual salary, representing loss of benefits over the notice period (the "**Benefits Payment**"); plus (iv) an amount in respect of the executive officer's Bonus (defined in such employment agreements as the annual bonus to which the executive officer may be eligible from year to year) equal to: (A) in the event of termination after the first year of employment but before completion of the second year of employment, the Bonus earned by the executive officer in their first year of employment; (B) in the event of termination after the second year of employment but before completion of the third year of employment, the average Bonus earned by the executive officer in their first two years of employment; or (C) in the event of termination after three years of employment, the average Bonus earned by the executive officer in the three years immediately preceding the year in which such termination occurs (the "**Bonus Payment**"). An executive officer who is terminated in the first 12 months of employment with Strathcona is not entitled to

receive a Bonus Payment. In the case of Mr. Morgan, (i) the Notice Payment is equal to 1.5 times Mr. Morgan's annual salary and represents an 18-month notice period, (ii) the Benefits Payment is equal to 22.5% of Mr. Morgan's annual salary to account for such longer notice period, and (iii) the Bonus Payment is equal to 1.5 times the amount determined pursuant to the method of calculation described under (iv) above.

If Messrs. Morgan, Babiak, Lerner, Teasdale or Grabas terminate their employment agreement for Good Reason, such executive officer shall be entitled to a Termination Payment A. "Good Reason" is defined in such employment agreements as the occurrence of any of the following events without the written consent of the executive officer: (a) a material reduction by Strathcona of the executive officer's annual salary; (b) the taking of any action by Strathcona which would, in the aggregate, materially adversely affect the executive officer's participation in any benefits plans in which the executive officer is participating or materially reduce the executive officer's incentive compensation (other than year-to-year changes in Bonus); (c) any breach by Strathcona of any of its material obligations contained in the employment agreements; or (d) a material adverse reduction of the executive officer's responsibilities or reporting relationships.

The employment agreements for Messrs. Morgan, Babiak, Lerner, Teasdale and Grabas also provide that, upon the occurrence of a Change of Control (as defined in the employment agreements), Strathcona will use its best efforts in negotiating the Change of Control to require any successor company to expressly agree to assume and to perform Strathcona's obligations under the employment agreements in the same manner that Strathcona would have been required to perform such obligations if no Change of Control had occurred. If Strathcona fails to obtain such agreement from a successor company prior to the effective date of the Change of Control, the executive officer shall be entitled to terminate their employment agreement and receive a Termination Payment A, as if the executive officer had terminated the employment agreement for Good Reason.

A "Change of Control" is defined in the employment agreements for Messrs. Morgan, Babiak, Lerner, Teasdale and Grabas as the occurrence of any of the following:

- an acquisition of 50% or more of Strathcona's issued and outstanding voting securities;
- a sale of all or substantially all of the assets of Strathcona;
- the dissolution or liquidation of Strathcona;
- an acquisition requiring shareholder approval;
- another comparable event, as determined by the board of directors of Strathcona; or
- a change in the composition of the Board, such that the individuals who comprise the Board at the last annual meeting of shareholders for any reason cease to constitute at least a majority of the members of the Board.

Each of Ms. De Ciancio and Mr. Seipert is a party to an executive employment agreement with Strathcona which outlines the terms of their employment. Such employment agreements are for an indefinite term and contain provisions regarding confidentiality, non-solicitation of employees and termination of employment.

Each of Ms. De Ciancio's and Mr. Seipert's employment agreement provides for a lump sum cash payment (the "**Termination Payment B**") to be made to an executive officer upon (a) termination by Strathcona without cause, and (b) receipt by Strathcona of a release by the executive officer in favour of Strathcona. The Termination Payment B is equal to: (i) the unpaid portion of the executive officer's annual salary and vacation pay accrued through to the date of termination; plus (ii) an amount equal to the executive officer's annual salary, representing a 12-month notice period; plus (iii) a pro-rated Annual

Bonus (defined in such employment agreements as an annual incentive bonus with a target of between 20% to 40% of the executive officer's annual salary, subject to approval by the Board) for the portion of the reference year worked by the executive officer prior to the date of termination; plus (iv) an amount equal to 30% of the executive officer's annual salary in lieu of the Annual Bonus; plus (v) an amount equal to the cost of premiums under Strathcona's extended health and dental benefits for 12 months, representing loss of benefits over the notice period.

If Ms. De Ciancio or Mr. Seipert terminate their employment agreement for Good Reason, such executive officer shall be entitled to a Termination Payment B. "Good Reason" is defined in such employment agreements as the occurrence of any of the following events without the written consent of the executive officer: (a) a material decrease in the executive officer's responsibilities; or (b) any material reduction of the executive officer's annual salary.

The table below shows the incremental amounts to which the NEOs, except Mr. C. Waterous, would be entitled under the circumstance of a termination without cause or for Good Reason and/or change of control on December 31, 2023.

Name and Position	Salary (\$)	Bonus (\$)	All Other Compensation (\$) <sup>(1)</sup>	Total Payout (\$)
<b>Rob Morgan</b> <i>President and CEO</i>	750,000	3,195,614	112,500	4,058,114
<b>Dale Babiak</b> <i>Vice President, Production Operations</i>	312,000	554,224	46,800	913,024
<b>Connie De Ciancio</b> <i>Vice President, Corporate</i>	312,000	967,200	7,302	1,286,502
<b>Al Grabas</b> <i>Vice President, Capital Operations</i>	312,000	571,334	46,800	930,134
<b>Nolan Lerner</b> <i>Vice President, Development – Montney and Conventional Heavy</i>	312,000	863,060	46,800	1,221,860
<b>Scott Seipert</b> <i>Vice President, Finance</i>	312,000	967,200	7,302	1,286,502
<b>Mark Teasdale</b> <i>Vice President, Development – Thermal</i>	312,000	863,060	46,800	1,221,860

**Note:**

- (1) All other compensation includes the Benefits Payment for Messrs. Morgan, Lerner, and Teasdale, or an amount equal to the cost of premiums under Strathcona's extended health and dental benefits for 12 months for Mr. Seipert and Ms. De Ciancio.

**Indebtedness of Directors and Executive Officers**

No current or proposed director, executive officer or employee of Strathcona, or any former director, executive officer or employee of Strathcona, or any associate of any of the foregoing, is, or has been at any time during 2023, excluding routine indebtedness, indebted to Strathcona or its subsidiaries, either in connection with the purchase of Strathcona securities or otherwise.



## HOW TO CONTACT US

Financial information concerning Strathcona is provided in Strathcona's audited consolidated financial statements and the management's discussion & analysis for the year ended December 31, 2023. Copies of Strathcona's financial statements and management's discussion & analysis are available upon request from Strathcona at 1900, 421 – 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 4K9.

Additional information relating to Strathcona may be obtained on Strathcona's website at [www.strathconaresources.com](http://www.strathconaresources.com) or under Strathcona's corporate profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## GLOSSARY OF TERMS

ABCA	<i>Business Corporations Act</i> (Alberta)
AIF	Strathcona's Annual Information Form for the year ended December 31, 2023
bbl	barrels of oil
Board or Board of Directors	Board of Directors of the Company
boe	barrels of oil equivalent
Circular	this management information circular
common shares or shares	common shares of the Company
Company or Strathcona	Strathcona Resources Ltd.
Cona	Cona Resources Ltd.
ESG	environmental, social and governance
mcf	thousand cubic feet
MD&A	Strathcona's Management Discussion & Analysis for the year ended December 31, 2023
Meeting	the annual general meeting of shareholders to be held on May 7, 2024
Mosaic	Mosaic Energy Ltd.
NI 58-101	National Instrument 58-101 – Disclosure of Corporate Governance Practices
Odyssey	Odyssey Trust Company
Pipestone	Pipestone Energy Corp., a predecessor of the Company
Pipestone Arrangement	the arrangement under Section 193 of the ABCA involving the predecessor of Strathcona and Pipestone, among others, which was completed on October 3, 2023
Reporting Insider	those insiders who are "reporting insiders" of the Company, as such term is defined in National Instrument 55-104 – <i>Insider Reporting Requirements and Exemptions</i>
shareholders	holders of common shares
Strath	Strath Resources Ltd., a predecessor of the Company
TSX	Toronto Stock Exchange
WEF	Waterous Energy Fund
WEF General Partners	collectively, WEF GP (US) Corp. (as the general partner of Waterous Energy Fund (US) LP); WEF Co-investment GP (International) Corp. (as the general partner of Waterous Energy Fund Co-investment (International) LP); WEF GP (International) Ltd. (as general partner of Waterous Energy Fund (International) LP); WEF GP (Canadian) Corp. (as the general partner of Waterous Energy Fund (Canadian) LP); WEF II GP Aggregator Corp. (as the general partner of Waterous Energy Fund II Aggregator LP); WEF Co-investment GP (Canadian) Corp. (as the general partner of Waterous Energy Fund Co-investment (Canadian) LP); WEF Osum I GP Ltd. (as the general partner of WEF Osum Co-Invest I LP); WEF Osum II GP Ltd. (as the general partner of WEF Osum Co-Invest II LP); and WEF Osum III GP Ltd. (as the general partner of WEF Osum Co-Invest III LP)
WEF Investment Rights Agreement	the Investment Rights Agreement dated October 3, 2023 among Strathcona, the WEF Manager and the WEF Shareholders
WEF Investors	the WEF Shareholders and certain of their affiliates and other entities advised or managed by the WEF Manager
WEF Manager	Waterous Energy Fund Management Corp.
WEF Shareholders	collectively, Waterous Energy Fund (Canadian) LP, Waterous Energy Fund (US) LP, Waterous Energy Fund (International) LP, Waterous Energy Fund Co-Investment (Canadian) LP, Waterous Energy Fund Co-Investment (International) LP, WEF Osum Co-Invest I LP, WEF Osum Co-Invest II LP, WEF Osum Co-Invest III LP and Waterous Energy Fund II Aggregator LP

## APPENDIX A – BOARD MANDATE



### BOARD OF DIRECTORS MANDATE

**EFFECTIVE Date: October 3, 2023**

#### **1. Purpose**

The members of the Board of Directors (the "**Board**") are responsible for supervising the management of the business and affairs of Strathcona Resources Ltd. (the "**Corporation**"). The Board, directly and through its committees and the chair of the Board (the "**Chair**") and lead director of the Board (the "**Lead Director**"), shall provide direction to senior management, generally through the Chief Executive Officer, to pursue the best interests of the Corporation.

#### **2. Membership**

##### ***Number of Members***

Subject to compliance with the Applicable Requirements (as defined below), the Corporation's constituting documents, and any agreements or other arrangements concerning the size of the Board, the Board shall be comprised of such number of members as determined by the Board from time to time.

##### ***Term of Members***

At each annual meeting of the Corporation's shareholders, the Board must permit shareholders to vote on the election of all members of the Board. Each member of the Board shall serve until the member resigns, ceases to be qualified for service as a member of the Board or is removed in compliance with the Applicable Requirements.

##### ***Chair of the Board***

Subject to compliance with any agreements or other arrangements concerning such matter, the members of the Board shall designate a Chair by majority vote of the full Board membership, following consideration of the recommendation of the Nominating Committee of the Board (the "**Nominating Committee**").

If the Chair is not an independent member of the Board, the independent directors shall select from among their number, following consideration of the recommendation of the Nominating Committee, a further director who will act as the lead director of the Board (the "**Lead Director**").

##### ***General***

Each director must have an understanding of the Corporation's principal operational and financial objectives, plans and strategies, and financial position and performance. Each director is expected to attend all meetings of the Board and any Board committee of which they are a member. Directors are

expected to have read and considered, in advance of each meeting, the materials sent to them and to actively participate in the Meetings.

Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Nominating Committee of such change.

Directors may serve on the boards of other public issuers so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Chair in advance of accepting an invitation to serve on the board of another public issuer.

### **3. Meetings**

#### ***Frequency of Meetings***

The Board shall meet as often as the Board considers appropriate to fulfill its responsibilities, but in any event at least once per fiscal quarter.

#### ***Quorum***

No business may be transacted by the Board at a meeting of the Board unless a quorum of the Board is present, as specified in the Corporation's by-laws. Members may participate in a meeting of the Board by electronic means, and a member participating in such a meeting by electronic means is deemed to be present at the Meeting.

#### ***Secretary and Minutes***

The Corporation's Corporate Secretary shall act as secretary at any meeting of the Board, and if the Corporation's Corporate Secretary is absent, the chair of the Meeting shall appoint a person, who need not be a director, to act as secretary of the Meeting. Minutes and other records of meetings and activities of the Board shall be recorded and maintained in sufficient detail to convey the substance of all discussions held and shall be, on a timely basis, subsequently presented to the Board for approval.

#### ***Attendance of Non-Members***

The Chair may invite to a meeting of the Board any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities.

#### ***Meetings of Independent Directors***

The independent directors may, at their discretion, hold ad hoc meetings, either during or outside of a meeting of the Board that are not attended by management or non-independent directors of the Board.

#### ***Access to Management and Books and Records***

The Board shall have free and unrestricted access at all times, either directly or through its duly appointed representatives, to the Corporation's management and employees and the books and records of the Corporation.

### **4. Responsibilities**

The Board shall have the responsibilities outlined below and may, subject to compliance with applicable laws and regulations, delegate such responsibilities to a committee of the Board. In addition to these

responsibilities, the Board shall perform the responsibilities required of a board of directors by the Corporation's governing corporate statute, applicable Canadian securities laws, any exchange upon which securities of the Corporation are listed, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**") or as the Board otherwise deems necessary or appropriate.

### ***Strategic Planning***

(a) Strategic Plans

The Board shall periodically review and, if advisable, approve the Corporation's strategic planning process, monitor the implementation thereof and, at least annually, review and, if advisable, approve the Corporation's strategic planning process and short- and long-term strategic and business plans prepared by management (or any material amendments to, or variances from, such plans). In discharging this responsibility, the Board shall review the plans in light of management's assessment of industry practices, emerging trends, the competitive environment, the capital markets, the significant business practices and products and the opportunities and risks for the businesses of the Corporation.

(b) Business and Capital Plans

The Board shall periodically review and, if advisable, approve the policies and processes generated by management relating to the authorization of major investments and significant allocations of capital, monitor the implementation thereof and, at least annually, review and, if advisable, approve the Corporation's annual business and capital plans (or any material amendments to, or variances from, such plans).

### ***Risk Management***

(a) General

At least annually, the Board shall review reports provided by management and committees of the Board on the principal risks associated with the Corporation's business and operations (including, but not limited to, risks related to information security, as well as environmental, social and governance), review the implementation by management of appropriate systems to identify, assess, manage and mitigate these risks, and review reports by management relating to the operation of, and any material deficiencies in, these systems.

(b) Verification of Controls

The Board shall verify that appropriate internal, financial, non-financial and business control and management information systems have been established, and are being maintained, by management.

### ***Financial-Related and Reserves Disclosure Matters***

(a) Approval of Financial Reports

The Board shall review the annual and interim financial statements of the Corporation, the auditors' report thereon (as applicable) and the related management discussion & analysis of the Corporation's financial condition and financial performance ("**MD&A**") and earnings press release, as well as the audit committee of the Board's (the "**Audit Committee**") recommendations in respect of the approval thereof. After completing its review, if advisable, the Board shall approve the annual and interim financial statements, the related MD&A and earnings press release.

(b) Nomination and Compensation

The Board shall review the recommendations of the Audit Committee concerning the nomination and compensation of the external auditors and, if advisable, approve such nomination and compensation.

(c) Approval of Annual Reserves Disclosure

The Board shall review the Corporation's statement of reserves and resources, as applicable, and other oil and gas information (the "**Statement of Reserves/Resources Data**"), the reports of the Corporation's independent qualified reserves evaluators regarding the evaluation or audit and review of the Corporation's reserves and resources data, as applicable (the "**Evaluator's Report**") and the report of management and directors in respect of the Statement of Reserves/Resources Data and the Report (the "**Report of Management and Directors**"), as well as the reserves committee of the Board (the "**Reserves Committee**") recommendations in respect of the approval thereof. After completing its review, if advisable, the Board shall approve the content and the filing of the Statement of Reserves/Resources Data and the Report of Management and Directors and the filing of the Evaluator's Report.

### ***Human Resource Management***

(a) Chief Executive Officer

The Board shall review the recommendations of the compensation committee of the Board (the "**Compensation Committee**") with respect to organizational goals and objectives relevant to Chief Executive Officer compensation and, if advisable, approve (with or without modifications) such goals and objectives.

Subject to compliance with any agreements or other arrangements concerning such matter, the Board shall review the recommendations of the Compensation Committee concerning the appointment, compensation and other terms of employment of the Chief Executive Officer and, if advisable, approve (with or without modifications) such appointment, compensation and other terms of employment.

(b) Senior Management

The Board shall review the recommendations of the Compensation Committee with respect to the appointment, compensation and other terms of employment of the Corporation's Chief Financial Officer, all senior management reporting directly to the Chief Executive Officer and all other officers appointed by the Board (collectively "**Senior Management**") and, if advisable, approve (with or without modifications) any such appointment, compensation and other terms of employment.

(c) Integrity of Senior Management

The Board shall, to the extent feasible, satisfy itself as to the integrity of the Chief Executive Officer and members of Senior Management and that the Chief Executive Officer and members of Senior Management strive to create a culture of integrity throughout the Corporation.

(d) Director Remuneration

The Board shall review the recommendations of the Compensation Committee concerning the remuneration (fees and/or retainer) to be paid, and the benefits to be provided, to members of the Board and each of its committees for service in applicable capacities and, if advisable, approve (with or without modifications) such remuneration.

## ***Nomination Matters***

### (a) General

The Board shall periodically review reports of the Nominating Committee concerning nomination matters.

### (b) Nominee Identification

The Board shall review the recommendations of the Nominating Committee concerning the potential nominees for election or appointment to the Board and, after considering:

- (i) the results of the Board and director effectiveness evaluation process;
- (ii) the competencies, skills and other qualities that the Nominating Committee considers to be necessary for the Board as a whole to possess, the competencies, skills and other qualities that the Nominating Committee considers each existing director to possess, and the competencies, skills and other qualities each new nominee would bring to the Board;
- (iii) the amount of time and resources that nominees have available to fulfill their duties as Board members;
- (iv) any agreements or other arrangements concerning the size, qualifications or composition of the Board or that provide one or more of the parties with nomination rights; and
- (v) any applicable independence and/or other Applicable Requirements,

approve, if advisable (with or without modifications) the individual nominees for consideration by, and presentation to, the shareholders at the Corporation's next annual meeting of shareholders or appointment to the Board between such meetings.

### (c) Committees of the Board

The Board shall annually evaluate the performance, and review the work, of its committees. The Board shall annually, or as otherwise required or deemed advisable, review the recommendations of the Nominating Committee concerning the individual directors to serve on (or to depart from) the standing committees of the Board and, after considering:

- (i) the qualifications for membership on each committee;
- (ii) the extent to which there should be a policy of periodic rotation of directors among the committees;
- (iii) the results of the committee and director effectiveness evaluation process;
- (iv) the number of other boards and committees on which the directors serve; and
- (v) any agreements or other arrangements concerning the size, qualifications or that provide one or more of the parties with nomination rights,

approve the appointment of such directors to (or departure from) the committees as the Board deems advisable.

(d) Director Independence

The Board shall periodically review the Board's and the Board committees' ability to act independently from management in fulfilling their responsibilities and in doing so the Board shall review the application and evaluation by the Nominating Committee of the director independence standards applicable to members of the Board.

(e) Board and Committee Size and Board Renewal

The Board shall review the recommendations of the Nominating Committee concerning: (i) any reductions or increase in the size of the Board or any Board committee; and (ii) mechanisms of Board renewal, and if advisable, approve (with or without modifications) such reduction or increase or the adoption of any such mechanisms.

(f) Succession Review

The Board shall periodically review the recommendations of the Nominating Committee with respect to the succession plans of the Corporation for the Chair. The Board shall also periodically review the recommendations of the Compensation Committee with respect to succession planning matters concerning management, as well as general executive development programs and the development of the succession plans of the Corporation.

### **Corporate Governance**

(a) General

To fulfil its responsibilities with respect to corporate governance matters, the Board shall:

- (i) develop the Corporation's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation;
- (ii) periodically review overall governance principles, monitor disclosure and best practices of comparable and leading companies and consider corporate governance issues for review, discussion or action by the Board or a committee of the Board;
- (iii) oversee the Corporation's approach to appropriately addressing potential risks related to governance matters;
- (iv) review and approve any governance disclosure of the Corporation before it is publicly disclosed; and
- (v) take such other actions regarding the Corporation's corporate governance that the Board shall reasonably deem to be appropriate and in the best interests of the Corporation or otherwise necessary in accordance with the Applicable Requirements.

(b) Board Effectiveness and Independence

The Board, the Chair and the Lead Director shall ensure that an appropriate system is in place to evaluate the effectiveness of the Board, as well as the committees of the Board and individual directors, with a view to ensuring that they are fulfilling their respective responsibilities and duties and working together effectively.

The Board may consider and adopt procedures to ensure that the Board and committees of the Board function independently of management.



(c) Position Descriptions

The Board will approve position descriptions for the Chair, the Lead Director, the Chief Executive Officer, and the chairs of the standing Board committees. The Board shall periodically review such position descriptions and approve the adoption of any changes as it may determine are necessary or advisable.

(d) Committees of the Board

The Board has established the Audit Committee, the Nominating Committee, the Compensation Committee and the Reserves Committee of the Board. Subject to the Applicable Requirements, the Board may establish other Board committees or merge or dissolve any Board committee at any time. The Board shall approve mandates for any new Board committees and periodically review the mandates for each existing Board committee and approve the adoption of any changes as it may determine are necessary or advisable.

(e) Ethics Monitoring

The Board has adopted the code of ethics of the Corporation (the "**Code**"), which is applicable to directors, officers and employees of the Corporation, among others. The Board, the Chair and Lead Director shall: (i) monitor conflicts of interest (real or perceived) of members of the Board and management in accordance with the Code; (ii) monitor compliance with, material departures from, and investigations and any resolutions of complaints received under, the Code and, if advisable, approve waivers from the Code; and (iii) approve the adoption of any changes to the Code as it may determine are necessary or advisable.

(f) Director Development and Evaluation

The Corporation shall provide the resources, information and training reasonably required for all directors to fulfill their duties as directors. Each new director may request the Corporation to conduct an initial orientation for such director. The Board shall periodically review the recommendations of the Nominating Committee concerning proposed changes to the Corporation's director education programs and if advisable, approve (with or without modifications) the adoption of any such changes.

### ***Environmental and Social Matters***

In addition to the specific governance matters covered by this mandate of the Board (this "**Mandate**"), the Board shall oversee the Corporation's general strategy, policies and initiatives relating to material environmental (including, but not limited to, sustainability) and social matters (including, but not limited to, diversity).

### ***Communications***

The Corporation will inform its shareholders of its progress through annual financial reporting materials, Circular, quarterly interim reports and periodic press releases as required pursuant to the Applicable Requirements. Directors and management will meet with the Corporation's shareholders at the annual meeting and will be available to respond to questions at that time.

## **5. Outside Advisors**

The Board shall have the authority to seek, retain and terminate, from a source independent of management, external accounting, legal, consulting or other advisors from a source independent of management, at the expense of the Corporation to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of any

officer of the Corporation. The Corporation shall provide appropriate funding, as determined by the Board, for the services of these advisors.

## **6. No Rights Created**

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Corporation. While it should be interpreted in the context of all Applicable Requirements, as well as in the context of the Corporation's constating documents, it is not intended to establish any legally binding obligations.

## **7. Mandate Review**

The Board shall periodically review and assess the adequacy of this Mandate and approve the adoption of any changes as it may determine are necessary or advisable.