



Notice of Meeting

and

Information Circular

in respect of the

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on June 20, 2023

May 11, 2023

VALEURA ENERGY INC.

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 20, 2023**

TO THE SHAREHOLDERS OF VALEURA ENERGY INC.

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Valeura Energy Inc. (the “**Corporation**”) will be held at the Northcote and Angus Rooms at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 205 - 5th Ave. S.W., Calgary, Alberta, at 4:00 p.m. (Calgary time) on June 20, 2023 for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2022 and the report of the auditors thereon;
2. to appoint KPMG LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year;
3. to elect the directors of the Corporation for the ensuing year;
4. to consider and, if deemed fit, approve an ordinary resolution approving all unallocated options under the Corporation’s stock option plan;
5. to consider and, if deemed fit, approve an ordinary resolution approving all unallocated performance share units and restricted share units under the Corporation’s performance and restricted share unit plan; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment(s) or postponement(s) thereof.

Shareholders should refer to the information circular (the “**Information Circular**”) accompanying this Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”) for more detailed information with respect to the matters to be considered at the Meeting.

The Corporation has decided to use notice and access to deliver the Information Circular and its 2022 financial statements and related management’s discussion and analysis (collectively, the “**Meeting Materials**”) to beneficial Shareholders. Notice and access is a set of rules developed by the Canadian Securities Administrators that allows companies to post meeting materials online, reducing paper wastage and lowering mailing costs. However, together with this Notice of Meeting, Shareholders continue to receive a proxy (in the case of registered Shareholders) or voting instruction form (in the case of beneficial Shareholders), enabling them to vote at the Meeting. The Corporation encourages and reminds all Shareholders to review the Information Circular before voting.

If you are a registered Shareholder or you have given the Corporation instructions to send you printed copies of the Meeting Materials, the Information Circular accompanies this Notice of Meeting, and the Corporation has mailed you a copy of its 2022 financial statements and related management’s discussion and analysis. All other Shareholders can download the Meeting Materials from the Corporation’s website at www.valeuraenergy.com or from the Corporation’s profile on SEDAR at www.sedar.com.

If you prefer to have printed copies of the Meeting Materials, please contact the Corporation at 1-403-237-7102 or by email at IR@valeuraenergy.com. Please note that in order to receive the Meeting Materials in advance of the proxy deposit date, your request for printed copies must be received by the Corporation by June 6, 2023.

Shareholders with questions about notice and access can call toll free at 1-855-887-2244.

Shareholders who wish to listen to the live webcast of the Meeting, rather than attend in person, are encouraged to vote in advance of the meeting. Please follow the below instructions to access the live webcast:

Participants are advised to install the Microsoft Teams app in advance.

[Click here to access the webcast](#) or copy-past the following link into your browser:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NGU0MWMwNTEtZjgyMC00YTE3LTliYmEtMDljMzJhZTFmYjg5%40thead.v2/0?context=%7B%22Tid%22%3A%22a196a1a0-4579-4a0c-b3a3-855f4db8f64b%22%2C%22Oid%22%3A%22241f769c-12ae-4efc-8c14-d2e523040a83%22%2C%22IsBroadcastMeeting%22%3Atrue%2C%22role%22%3A%22a%22%7D&btype=a&role=a

An audio only feed of the Meeting is available by phone using the Conference ID and dial-in numbers below:

Conference ID: 537 977 083#

Dial-in numbers:

Canada: (833) 845-9589

Singapore: +65 6450 6302

Thailand: +66 2 026 9035

Turkey: 00800142034779

UK: 0800 640 3933

USA: (833) 846-5630

If you are a registered Shareholder and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation, at Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, by no later than 4:00 p.m. (Calgary time) on June 16, 2023 or two business days preceding the date of any adjournment or postponement.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The board of directors of the Corporation has fixed May 8, 2023 as the record date (the “**Record Date**”) for the Meeting. Shareholders of record at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) "*Timothy R. Marchant*"

Dr. Timothy R. Marchant
Chairman of the Board of Directors

May 11, 2023

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 20, 2023

PURPOSE OF SOLICITATION

This information circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of Valeura Energy Inc. (“Valeura” or the “Corporation”) for use at the annual and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) in the capital of Valeura.

The Meeting will be held at the Northcote and Angus Rooms at the Bow Valley Square Conference Centre, Level 3, Bow Valley Square 2, 205 - 5th Avenue SW, Calgary, Alberta, at 4:00 p.m. (Calgary time) on June 20, 2023 and at any adjournment(s) or postponement(s) thereof for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “**Notice of Meeting**”) accompanying this Information Circular. Information contained herein is given as of May 11, 2023.

All dollar amounts expressed herein are in the lawful currency of Canada, unless otherwise specifically stated. The Corporation has adopted the United States dollar as the presentation currency in its consolidated financial statements.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of Valeura who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by Valeura.

The Corporation has decided to use notice and access to deliver this Information Circular and its 2022 financial statements and related management’s discussion and analysis (collectively, the “**Meeting Materials**”) to Beneficial Shareholders (as defined herein). Notice and access is a set of rules developed by the Canadian Securities Administrators that allows companies to post meeting materials online, reducing paper and mailing costs. However, together with the Notice of Meeting, Shareholders continue to receive a proxy (in the case of registered Shareholders) or voting instruction form (in the case of Beneficial Shareholders), enabling them to vote at the Meeting.

If you are a registered Shareholder or you have given the Corporation instructions to send you printed copies of the Meeting Materials, the Notice of Meeting accompanies this Information Circular and the Corporation has mailed you a copy of its 2022 financial statements and related management’s discussion and analysis. All other Shareholders can download the Meeting Materials from the Corporation’s website at www.valeuraenergy.com or from the Corporation’s profile on SEDAR at www.sedar.com.

If you prefer to have printed copies of the Meeting Materials, please contact the Corporation at 1-403-237-7102 or by email at IR@valeuraenergy.com. Please note that in order to receive the Meeting Materials in advance of the proxy deposit date, your request for printed copies must be received by the Corporation by June 6, 2023.

Shareholders with questions about notice and access can call toll free at 1-855-887-2244.

Shareholders who wish to listen to the live webcast of the Meeting, rather than attend in person, are encouraged to vote in advance of the meeting. Please follow the below instructions to access the live webcast:

Participants are advised to install the Microsoft Teams app in advance.

[Click here to access the webcast](#) or copy-past the following link into your browser:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_NGU0MWMwNTEtZjgyMC00YTE3LTliYmEtMDljMzJhZTFmYjg5%40thead.v2/0?context=%7B%22Tid%22%3A%22a196a1a0-4579-4a0c-b3a3-855f4db8f64b%22%2C%22Oid%22%3A%22241f769c-12ae-4efc-8c14-d2e523040a83%22%2C%22IsBroadcastMeeting%22%3Atrue%2C%22role%22%3A%22a%22%7D&btype=a&role=a

An audio only feed of the Meeting is available by phone using the Conference ID and dial-in numbers below:

Conference ID: 537 977 083#

Dial-in numbers:

Canada: (833) 845-9589

Singapore: +65 6450 6302

Thailand: +66 2 026 9035

Turkey: 00800142034779

UK: 0800 640 3933

USA: (833) 846-5630

APPOINTMENT AND REVOCATION OF PROXIES

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of Valeura. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment(s) or postponement(s) thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be deposited with Computershare Trust Company of Canada, the registrar and transfer agent of the Corporation, at Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or by facsimile at 1-866-249-7775, by no later than 4:00 p.m. (Calgary time) on June 16, 2023 or two business days preceding the date of any adjournment or postponement.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by an instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name ("Beneficial Shareholders") should note that

only proxies deposited by Shareholders whose names appear on the records of Valeura as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name on the records of Valeura. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit Broadridge's dedicated voting website at www.proxyvote.com to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxyholder for a registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for a registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING BY INTERNET FOR REGISTERED HOLDERS OF COMMON SHARES

Shareholders may use the website at www.investorvote.com to transmit their voting instructions. Shareholders should have the form of proxy in hand when they access the website. Shareholders will be prompted to enter their control number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not later than 4:00 p.m. (Calgary time) on June 16, 2023 or 48 hours prior to the time of any adjournment or postponement of the Meeting. **The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid**

one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instruction, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon. The enclosed form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

At the time of the printing of this Information Circular, the management of Valeura knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The board of directors of Valeura (the “**Board**”) has fixed May 8, 2023 as the record date (the “**Record Date**”) for the Meeting. Shareholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote thereat or at any adjournment(s) or postponements(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting.

As of the date hereof, 101,160,491 Common Shares were issued and outstanding as fully paid and non-assessable.

As of the date hereof, to the knowledge of the directors and executive officers of Valeura, there are no persons or companies who beneficially own, directly or indirectly, or control or direct Common Shares carrying 10% or more of the voting rights attached to all of the Common Shares, except as set forth below.

Name	Number of Common Shares Held or Controlled	Percentage of Common Shares Held or Controlled
Baillie Gifford & Co	12,530,102	12.4%

As of the date hereof, the directors and executive officers of Valeura, as a group, beneficially own, directly or indirectly, 2,075,430 Common Shares representing approximately 2.05% of the issued and outstanding Common Shares.

As of the date hereof, the directors and executive officers of Valeura, as a group, own 5,555,000 options (“**Options**”) to purchase 5,555,000 Common Shares issuable pursuant to the Corporation’s stock option plan (the “**Option Plan**”) and representing approximately 5.49% of the issued and outstanding Common Shares (on a partially diluted basis).

As of the date hereof, no performance share units (“PSUs”) or restricted share units (“RSUs”, and collectively with the PSUs, “Unit Awards”) have been issued pursuant to the Corporation’s performance and restricted share unit plan (the “PRSU Plan”).

MEETING MATTERS

Receipt of the Financial Statements and Auditors’ Report

The audited financial statements of the Corporation for the period ended December 31, 2022 and the report of the auditors thereon will be placed before the Shareholders at the Meeting.

Under National Instrument 51-102 - *Continuous Disclosure Obligations*, a person or corporation who in the future wishes to receive financial statements from the Corporation must deliver a written request for such material to the Corporation, together with a signed statement that the person or corporation is the owner of securities (other than debt instruments) of the Corporation. Shareholders who wish to receive financial statements are encouraged to send the enclosed return card, together with the completed form of proxy to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

Copies of the Corporation’s annual and interim financial statements are also available on SEDAR at www.sedar.com.

Appointment of Auditors

At the Meeting, Shareholders will be asked to pass a resolution appointing KPMG LLP, Chartered Accountants, as auditors of the Corporation, to hold office until the next annual meeting of Shareholders and to authorize the Board to fix the remuneration to be paid thereto. KPMG LLP, Chartered Accountants, were appointed as the auditors of Valeura on April 9, 2010.

Election of Directors

The term of office for each director is from the date of the Meeting at which he or she is elected until the next annual meeting or until his successor is elected or appointed. At the Meeting, a board of seven directors will be proposed for election. The enclosed form of proxy or voting instruction form permits Shareholders to vote “for” or to “withhold” their vote in respect of each director nominee. Except where authority to vote on the election of directors is withheld, the persons designated by the Corporation in the enclosed form of proxy intend to vote for the election of the seven nominees whose names are set forth below. If, due to unforeseen circumstances, any of the persons named below should not be available for election, it is intended that the persons named in the accompanying form of proxy will vote for such other person or persons as the Board may recommend. In accordance with the Corporation’s majority voting policy, unless there is a contested election, a director who receives more *withhold* votes than *for* votes, will tender his or her resignation immediately. The Governance, Nominating and Compensation Committee will review the matter and recommend to the Board whether to accept the resignation. The director will not participate in any deliberations on the matter. In such case, the Board will publicly announce its decision within 90 days of the annual meeting. Shareholders should note that, as a result of the aforementioned majority voting policy, a *withhold* vote is effectively the same as a vote *against* a director nominee in an uncontested election.

<p>W. Sean Guest</p> <p>President and Chief Executive Officer</p> <p>Calgary, Alberta, Canada</p> <p>Director Since: May 10, 2018</p> <p>Age: 61</p> <p>Not Independent</p>	<p>Dr. Guest joined Valeura as Chief Operating Officer on May 17, 2017 and was appointed President on October 19, 2017 and Chief Executive Officer on January 1, 2018. Dr. Guest brings more than 30 years of international experience in the oil and gas industry, including 20 years in senior and executive leadership roles. His early career with Shell included assignments in the Netherlands, Australia and Malaysia. He subsequently joined Woodside Energy, where he managed the company's exploration program in Libya from 2005 to 2009, followed by management of the exploration and new business functions in Australia. Prior to joining Valeura, he was CEO of two private, junior international companies with exploration and production operations in Australia, Indonesia, Malaysia and Ethiopia.</p>					
	Board/Committee Membership		2022 Attendance⁽¹⁾		2022 Attendance (Total)⁽⁶⁾	
	Board		12 of 12	100%	25 of 25	100%
	Not a Committee Member		13 of 13 ⁽⁵⁾	100% ⁽⁵⁾		
	Current Public Board Membership					
	None					
	Educational Background					
	Dr. Guest has a Ph.D. in Geology and a B.Sc. in Applied Science (Honours), both from Queen's University in Kingston, Ontario.					
	Common Shares Controlled or Directed (as of the date hereof)					
	<i>Common Shares⁽²⁾</i>	<i>Total Amount at Risk⁽³⁾</i>	<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>			
	567,990	\$1,266,617	Yes, based on his base salary for 2022.			
	Options Held (as of December 31, 2022)					
	<i>Expiry Date</i>	<i>Number Granted</i>	<i>Exercise Price</i>	<i>Total Unexercised</i>		
March 30, 2029	450,000	\$1.58	450,000			
March 24, 2028	550,000	\$0.52	550,000			
March 17, 2027	550,000	\$0.25	550,000			
May 17, 2024	600,000	\$0.75	600,000			
Voting Results of 2022 Annual Meeting						
93.11% (votes for) / 6.89% (votes withheld)						

<p>Timothy R. Marchant</p> <p>Chair</p> <p>Calgary, Alberta, Canada</p> <p>Director Since: April 15, 2015</p> <p>Age: 72</p> <p>Independent</p>	<p>Dr. Marchant brings more than 43 years of senior executive experience in the oil and gas industry in Canada and internationally, with extensive experience in foreign growth strategies and international operations. In a career that spanned 29 years with Amoco and BP, Dr. Marchant held senior executive positions in Canada and a number of countries in the Middle East including Egypt, Saudi Arabia, Abu Dhabi and Kuwait.</p> <p>Dr. Marchant is currently Adjunct Professor of Strategy and Energy Geopolitics at the Haskayne School of Business, University of Calgary, a director of Vermilion Energy Inc. (a TSX and NYSE listed issuer) since 2010 and a director of VAALCO Energy, Inc. (a NYSE listed issuer) since 2022 (and its predecessor since March 2020).</p>					
	Board/Committee Membership		2022 Attendance⁽¹⁾		2022 Attendance (Total)⁽⁶⁾	
	Board		12 of 12	100%	20 of 20	100%
	Governance and Compensation Committee ⁽⁷⁾		4 of 4	100%		
	Reserves & Health, Safety, Security, Environment and Community Relations Committee ⁽⁸⁾		4 of 4	100%		
	Current Public Board Membership					
	Vermilion Energy Inc. (TSX, NYSE)					
	VAALCO Energy, Inc. (NYSE)					
	Educational Background					
	Dr. Marchant has a Ph.D. in Geology from Trinity College, University of Dublin, Ireland. He completed the Executive Program at the Ivey School of Business, University of Western Ontario in 1994 and the Institute of Corporate Directors Education Program in 2011.					
	Common Shares Controlled or Directed (as of the date hereof)					
	<i>Common Shares⁽²⁾</i>		<i>Total Amount at Risk⁽³⁾</i>		<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>	
	322,306		\$718,742		Yes	
	Options Held (as of December 31, 2022)					
	<i>Expiry Date</i>		<i>Number Granted</i>		<i>Exercise Price</i>	
March 30, 2029		80,000		\$1.58		80,000
March 24, 2028		100,000		\$0.52		100,000
March 17, 2027		100,000		\$0.25		100,000
March 17, 2024		30,000		\$0.73		30,000
March 23, 2023		20,000		\$0.75		20,000
Voting Results of 2022 Annual Meeting						
91.68% (votes for) / 8.32% (votes withheld)						

<p>James D. McFarland</p> <p>Calgary, Alberta, Canada</p> <p>Director Since: June 29, 2010</p> <p>Age: 76</p> <p>Independent</p>	<p>Mr. McFarland was a co-founder and President of Valeura from April 9, 2010 to October 19, 2017, Chief Executive Officer of Valeura from April 9, 2010 until his retirement on December 31, 2017 and a consultant thereafter until October 31, 2020. Prior thereto, Mr. McFarland was President and Chief Executive Officer, director and co-founder of Verenex Energy Inc. (a TSX listed issuer) from March 2004 to December 2009. He has also been a director of MEG Energy Corp. (a TSX listed issuer) since 2010. He was previously a director of Pengrowth Energy Corporation (a TSX listed issuer) from 2010 to January 2020 and Arrow Exploration Corp. from 2018 to January 2020 (a TSXV listed issuer).</p>					
	<p>Mr. McFarland has more than four decades of domestic and international experience in the oil and gas industry, of which 28 years were in executive officer roles, and included an initial a 23-year career with Imperial Oil Limited and other ExxonMobil affiliates.</p>					
	<p>Mr. McFarland is a Life Member of both the Association of Professional Engineers and Geoscientists of Alberta and the Society of Petroleum Engineers International. He is also a member of the Institute of Corporate Directors in Canada and serves on the board of directors of the Canadian Association for the World Petroleum Council (WPC) and on the Congress Program Committee of the WPC international organization.</p>					
	<p>In 2003, Mr. McFarland was awarded the Australian Centenary Medal for outstanding service through business and commerce.</p>					
	Board/Committee Membership		2022 Attendance⁽¹⁾		2022 Attendance (Total)⁽⁶⁾	
	Board		12 of 12	100%	16 of 16	100%
	Reserves & Health, Safety, Security, Environment and Community Relations Committee ⁽⁸⁾		4 of 4	100%		
	Current Public Board Membership					
	MEG Energy Corp. (TSX)					
	Educational Background					
	Mr. McFarland holds a Bachelor of Science degree in Chemical Engineering (Honours) from Queen's University in Kingston, Ontario and a Master of Science degree in Petroleum Engineering from the University of Alberta. Mr. McFarland completed the Executive Development Program at Cornell University.					
	Common Shares Controlled or Directed (as of the date hereof)					
	<i>Common Shares⁽²⁾</i>		<i>Total Amount at Risk⁽³⁾</i>		<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>	
	632,634		\$1,410,773		Yes	
Options Held (as of December 31, 2022)						
<i>Expiry Date</i>		<i>Number Granted</i>		<i>Exercise Price</i>		<i>Total Unexercised</i>
March 30, 2029		80,000		\$1.58		80,000
March 24, 2028		100,000		\$0.52		100,000
March 17, 2027		100,000		\$0.25		100,000
March 17, 2024		190,000		\$0.73		190,000
March 23, 2023		140,000		\$0.75		140,000
Voting Results of 2022 Annual Meeting						
94.25% (votes for) / 5.75% (votes withheld)						

<p>Ronald W. Royal</p> <p>Abbotsford, British Columbia, Canada</p> <p>Director Since: June 29, 2010</p> <p>Age: 74</p> <p>Independent</p>	<p>Mr. Royal has been a private businessman since April 2007. He has been a director of Gran Tierra Energy Inc. (a TSX, NYSE and LSE listed issuer) since May 2015. Prior to that he was a director of Oando Energy Resources Inc. and Caracal Energy Inc. (both TSX listed issuers). Mr. Royal has more than 42 years of oil and gas experience with Imperial Oil Limited and other ExxonMobil upstream affiliates in France and Chad, including serving as President and General Manager of Esso Chad Inc.</p> <p>In 2003, Mr. Royal was awarded the title “Chevalier de l’Ordre National du Chad” for his contributions to the economic development of Chad.</p>						
	Board/Committee Membership		2022 Attendance⁽¹⁾		2022 Attendance (Total)⁽⁶⁾		
	Board		12 of 12	100%	21 of 21	100%	
	Audit Committee		5 of 5	100%			
	Reserves & Health, Safety, Security, Environment and Community Relations Committee ⁽⁸⁾		4 of 4	100%			
	Current Public Board Membership						
	Gran Tierra Energy Inc. (TSX; NYSE; LSE)						
	Educational Background						
	Mr. Royal holds a Bachelor of Applied Science degree in Mechanical Engineering from the University of British Columbia.						
	Common Shares Controlled or Directed (as of the date hereof)						
	<i>Common Shares⁽²⁾</i>		<i>Total Amount at Risk⁽³⁾</i>		<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>		
	385,000		\$858,550		Yes		
	Options Held (as of December 31, 2022)						
	<i>Expiry Date</i>		<i>Number Granted</i>		<i>Exercise Price</i>		<i>Total Unexercised</i>
	March 30, 2029		80,000		\$1.58		80,000
March 24, 2028		100,000		\$0.52		100,000	
March 17, 2027		100,000		\$0.25		100,000	
March 17, 2024		30,000		\$0.73		30,000	
March 23, 2023		20,000		\$0.75		20,000	
Voting Results of 2022 Annual Meeting							
93.11% (votes for) / 6.89% (votes withheld)							

<p>Russell J. Hiscock</p> <p>Baie-d'Urfe, Québec, Canada</p> <p>Director Since: January 10, 2018</p> <p>Age: 71</p> <p>Independent</p>	<p>Mr. Hiscock is the former President and Chief Executive Officer of the CN Investment Division (Montreal), which manages one of the largest corporate pension funds in Canada. Mr. Hiscock has many years of equity portfolio management experience in both the Canadian and international stock markets, with particular emphasis on the oil and gas sector. He is a past Chairman of the Pension Investment Association of Canada.</p> <p>Mr. Hiscock was previously a director of Rife Resources Ltd. from April 2008 until 2021 (Chairman from 2008 to April 2018). He is on the Board of Governors of the University of Waterloo.</p> <p>He is a Certified Chartered Financial Analyst and a Certified Management Accountant.</p>					
	Board/Committee Membership		2022 Attendance⁽¹⁾		2022 Attendance (Total)⁽⁶⁾	
	Board		10 of 12	83%	18 of 21	86%
	Audit Committee		4 of 5	80%		
	Governance and Compensation Committee ⁽⁷⁾		4 of 4	100%		
	Current Public Board Membership					
	None					
	Educational Background					
	Mr. Hiscock holds a Bachelor of Mathematics degree from the University of Waterloo, a Master of Arts degree in Economics from the University of Western Ontario and an MBA from the University of Toronto.					
	Common Shares Controlled or Directed (as of the date hereof)					
	<i>Common Shares⁽²⁾</i>	<i>Total Amount at Risk⁽³⁾</i>	<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>			
	65,000	\$144,950	Yes			
	Options Held (as of December 31, 2022)					
<i>Expiry Date</i>	<i>Number Granted</i>	<i>Exercise Price</i>	<i>Total Unexercised</i>			
March 30, 2029	80,000	\$1.58	80,000			
March 24, 2028	100,000	\$0.52	100,000			
March 17, 2027	100,000	\$0.25	100,000			
Voting Results of 2022 Annual Meeting						
91.59% (votes for) / 8.41% (votes withheld)						

<p>Kimberley K. Wood</p> <p>London, United Kingdom</p> <p>Director Since: March 26, 2019</p> <p>Age: 53</p> <p>Independent</p>	<p>Ms. Wood is a legal professional with 22 years of experience and a specialist in the oil and gas sector. Most recently she was Head of Oil and Gas for Europe and Middle East at Norton Rose Fulbright LLP and remains a Senior Consultant for the firm. Throughout her career she has advised a wide range of companies in the sector, from small independents through to supermajors. Ms. Wood was a Partner at Vinson & Elkins LLP from February 2011 to April 2015 and was previously at Dewey & LeBoeuf LLP. She is included in Who's Who Legal Energy 2021 and as an expert in Energy and Natural Resources in Women in Business Law, 2021. Ms. Wood has been a Non-Executive Director of Africa Oil Corp (a TSX and NASDAQ OMX listed issuer) since April 2018, a Non-Executive Director of Gulf Keystone Petroleum (a LSE listed issuer) since October 2018, and a Non-Executive Director of Energean PLC (a LSE and TASE listed issuer) since July 2020.</p>					
	Board/Committee Membership		2022 Attendance		2022 Attendance (Total)⁽⁶⁾	
	Board	11 of 12	92%	20 of 21	95%	
	Audit Committee	5 of 5	100%			
	Governance and Compensation Committee ⁽⁷⁾	4 of 4	100%			
	Current Public Board Membership					
	Africa Oil Corp. (TSX, Nasdaq OMX)					
	Gulf Keystone Petroleum (LSE)					
	Energean PLC (LSE, TASE)					
	Educational Background					
	Ms. Wood holds a BA from the University of Western Ontario, an LLB from the University of Edinburgh and an LLM (Public International Law) from University College of London, University of London.					
	Common Shares Controlled or Directed (as of the date hereof)					
	<i>Common Shares⁽²⁾</i>	<i>Total Amount at Risk⁽³⁾</i>	<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>			
	Nil	Nil	Requirement to be satisfied within five years of appointment date.			
Options Held (as of December 31, 2022)						
<i>Expiry Date</i>	<i>Number Granted</i>	<i>Exercise Price</i>	<i>Total Unexercised</i>			
March 30, 2029	80,000	\$1.58	80,000			
March 24, 2028	100,000	\$0.52	100,000			
March 17, 2027	100,000	\$0.25	100,000			
Voting Results of 2022 Annual Meeting						
88.84% (votes for) / 11.16% (votes withheld)						

<p>Timothy N. Chapman</p> <p>London, United Kingdom</p> <p>Director Since: January 7, 2020</p> <p>Age: 54</p> <p>Independent</p>	<p>Mr. Chapman is an international capital markets specialist residing in London with more than 33 years of experience spanning the globe. His career includes 25 years in investment banking roles with large financial institutions including JP Morgan Chase, CIBC World Markets, and finally RBC Capital Markets where he was head of international oil & gas. Mr. Chapman’s career has focused on corporate strategy and valuation, regularly providing expert advice to many companies on seminal M&A transactions and capital raises. His experience within the oil and gas sector is diverse, including upstream, downstream and oilfield services companies. In 2015, Mr. Chapman founded Geopoint Advisory Limited which provides independent advice to energy companies. He is also a director of certain Petrogas North Sea subsidiaries. Mr. Chapman started his professional life as a geologist and graduated from Earth Sciences at Oxford University.</p>				
Board/Committee Membership		2022 Attendance		2022 Attendance (Total)⁽⁶⁾	
Board		12 of 12	100%	21 of 21	100%
Audit Committee		5 of 5	100%		
Reserves & Health, Safety, Security, Environment and Community Relations Committee ⁽⁸⁾		4 of 4	100%		
Current Public Board Membership					
None					
Educational Background					
Mr. Chapman holds a BA in Geology from Oxford University.					
Common Shares Controlled or Directed (as of the date hereof)					
<i>Common Shares⁽²⁾</i>		<i>Total Amount at Risk⁽³⁾</i>		<i>Satisfies Share Ownership Requirements⁽⁴⁾</i>	
Nil		Nil		Requirement to be satisfied within five years of appointment date.	
Options Held (as of December 31, 2022)					
<i>Expiry Date</i>		<i>Number Granted</i>		<i>Exercise Price</i>	
March 30, 2029		80,000		\$1.58	
March 28, 2028		100,000		\$0.52	
January 7, 2027		100,000		\$0.54	
Voting Results of 2022 Annual Meeting					
93.03% (votes for) / 6.97% (votes withheld)					

Notes:

- (1) Meeting attendance on special and/or other ad hoc committees of directors which may be formed, from time to time, to make recommendations to the Board in regard to a particular matter is not included.
- (2) Includes all Common Shares held by the spouse or children living in the same residence of such individual, corporations controlled by them or family trusts of such individual.
- (3) The value of the Common Shares held by the directors is calculated by multiplying the amount of Common Shares held by \$2.23, the closing price of Common Shares on the TSX on May 10, 2023.
- (4) Valeura’s share ownership guidelines (the “**Share Ownership Guidelines**”) provide that: (a) a new director must hold three times his or her annual base retainer in Common Shares within five years of being appointed to the Board; and (b) the CEO must hold three times his or her base salary within five years of being appointed to that role. If at any time, a director’s annual retainer or an executive officer’s base salary is increased such that he or she no longer satisfies the ownership requirement, such director or executive officer is expected to satisfy the adjusted ownership requirement within three years of the date such increase takes effect. Dr. Guest currently satisfies the Share Ownership Guidelines requirements based on his base salary for 2022. Dr. Guest has additional time to satisfy the Share Ownership Guidelines requirement related to his salary increases. The determination as to whether a director has satisfied the applicable Share Ownership Guidelines requirement was made as of the date hereof based on the 2022 annual retainers.
- (5) Dr. Guest was not a member of any of the three standing committees but was requested by the chair of each committee to attend the meetings of each such committee during the financial year ended December 31, 2022. At each meeting attended by Dr. Guest, the members of each committee met *in camera* without Dr. Guest.
- (6) Some directors are invited to attend committee meetings (of which they are not members) on a voluntary basis. Attendance at such meetings is not reflected in the meeting attendance total for 2022 except with respect to Dr. Guest.
- (7) The Governance and Compensation Committee was renamed as the Governance, Nominating and Compensation Committee on May 10, 2023. The committee is referred to by its new name herein.
- (8) The Reserves & Health, Safety, Security, Environment and Community Relations Committee was reconstituted into two committees, being the Reserves Committee and the Health, Safety and Sustainability Committee, on May 10, 2023.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of management, no director of Valeura:

- (a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director or chief executive officer or chief financial officer of any corporation (including Valeura) that, while that person was acting in that capacity:
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the corporation being the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (b) is, as the date hereof, or has been within 10 years from the date hereof, a director or executive officer of any company (including Valeura) that, while that person was acting in such 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.

Personal Bankruptcies

To the knowledge of management of Valeura, no director of Valeura has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

To the knowledge of management of Valeura, no director of Valeura has: (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, other than penalties for late filing of insider reports; or (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

Approval of Unallocated Options

General

Section 613(a) of the TSX Company Manual provides that every three years after the institution of a security-based compensation arrangement, all unallocated options, rights or other entitlements under such arrangement which does not have a fixed maximum number of securities issuable thereunder, must be approved by a majority of the issuer's directors and by the issuer's security holders. As the Option Plan is considered to be a security-based compensation arrangement and as the maximum number of Common Shares issuable pursuant to the Option Plan is not a fixed number, but is instead equal to 10% of the outstanding Common Shares (together with Common Shares issuable pursuant to all other security-based-compensation arrangements of the Corporation), approval is being sought at the Meeting to approve the grant of unallocated Options under the Option Plan. Unallocated Options were last approved by

Shareholders at Valeura’s annual and special meeting held on August 12, 2020. Options are considered to be “allocated” under the Option Plan when granted and Options which remain available for grant under the Option Plan are referred to as “unallocated”.

As at the date hereof, there were 7,656,664 Options, nil RSUs, and nil PSUs granted and outstanding, representing approximately 7.57% of the outstanding Common Shares. Accordingly, 2,459,385 Options and Unit Awards remain unallocated and available for grant under the Option Plan and the PRSU Plan, as applicable.

The approval by the Shareholders of the unallocated Options under the Option Plan will be effective for three years from the date of the Meeting. If approval is obtained at the Meeting, Valeura will not be required to seek further approval of the grant of unallocated Options under the Option Plan until its 2026 annual shareholders’ meeting (provided that such meeting is held on or prior to June 20, 2026).

The terms of the Option Plan are fully described in this Information Circular under the heading “Equity Plan Compensation – Option Plan”.

Shareholder Approval

At the Meeting, Shareholders will be asked to pass the following ordinary resolution approving the unallocated Options issuable pursuant to the Option Plan:

“BE IT RESOLVED THAT:

1. all unallocated options under the stock option plan of the Corporation (the “**Option Plan**”) are hereby approved;
2. the Corporation shall have the ability to continue granting options under the Option Plan until June 20, 2026, being the date that is three years from the date hereof; and
3. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Options under the Option Plan until June 20, 2026. If approval is not obtained at the Meeting, Options which have not been allocated as of June 20, 2023, and Options which are outstanding as of June 20, 2023, and which are subsequently cancelled, terminated or exercised, will not be available for a new grant of Options under the Option Plan. Previously allocated Options will continue to be unaffected by the approval or disapproval of the resolution. If approval is not obtained at the Meeting, the Governance, Nominating and Compensation Committee and the Board will have to consider alternate forms of performance-based compensation, including the PRSU Plan, the Corporation’s deferred share unit (“**DSU**”) plan (the “**DSU Plan**”), additional cash bonuses, a share appreciation plan or other means in order to attract and retain qualified personnel.

Recommendation of the Board

The Board unanimously recommends that Shareholders vote FOR the foregoing resolution.

Approval of Unallocated Unit Awards

General

Section 613(a) of the TSX Company Manual provides that every three years after the institution of a security-based compensation arrangement, all unallocated options, rights or other entitlements under such arrangement which does not have a fixed maximum number of securities issuable thereunder, must be approved by a majority of the issuer's directors and by the issuer's security-holders. As the PRSU Plan is considered to be a security-based compensation arrangement and as the maximum number of Common Shares issuable pursuant to the PRSU Plan is not a fixed number, but is instead equal to 10% of the outstanding Common Shares (together with Common Shares issuable pursuant to all other security-based compensation arrangements of the Corporation), approval is being sought at the Meeting to approve the grant of unallocated Unit Awards under the PRSU Plan. Unallocated Unit Awards were last approved by Shareholders at Valeura's annual and special meeting held on August 12, 2020. Unit Awards are considered to be "allocated" under the PRSU Plan when granted and Unit Awards which remain available for grant under the PRSU Plan are referred to as "unallocated".

As at the date hereof, there were 7,656,664 Options, nil RSUs, and nil PSUs granted and outstanding, representing approximately 7.57% of the outstanding Common Shares. Accordingly, 2,459,385 Options and Unit Awards remain unallocated and available for grant under the Option Plan and the PRSU Plan, as applicable.

The approval by the Shareholders of the unallocated Unit Awards under the PRSU Plan will be effective for three years from the date of the Meeting. If approval is obtained at the Meeting, Valeura will not be required to seek further approval of the grant of unallocated Unit Awards under the PRSU Plan until its 2026 annual shareholders' meeting (provided that such meeting is held on or prior to June 20, 2026).

The terms of the PRSU Plan are fully described in this Information Circular under the heading "Equity Plan Compensation – PRSU Plan".

Shareholder Approval

At the Meeting, Shareholders will be asked to pass the following ordinary resolution approving the unallocated Unit Awards issuable pursuant to the PRSU Plan:

"BE IT RESOLVED THAT:

1. all unallocated performance share units and restricted share units under the performance and restricted share unit plan (the "**PRSU Plan**") are hereby approved;
2. the Corporation shall have the ability to continue granting performance share units and restricted share units under the PRSU Plan until June 20, 2026, being the date that is three years from the date hereof; and
3. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing."

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Unit Awards under the PRSU Plan until June 20, 2026. If approval is not obtained at the Meeting, Unit Awards which have not been allocated as of June 20, 2023 and Unit Awards which are outstanding as of June 20, 2023, and which are subsequently cancelled, terminated or exercised, will not be available for a new grant of Unit Awards under the PRSU Plan and the Governance, Nominating and Compensation Committee and the Board will have to consider alternate forms of performance-based compensation, including the Option Plan, DSU Plan, additional cash bonuses, a share appreciation plan or other means in order to attract and retain qualified personnel.

The Corporation intends to begin granting PSUs and RSUs under the PRSU Plan for the first time in 2023. The Corporation also expects to begin granting DSU awards to directors in 2023 under the DSU Plan.

Recommendation of the Board

The Board unanimously recommends that Shareholders vote FOR the foregoing resolution.

EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's philosophy, objectives and processes regarding executive compensation.

This disclosure is intended to communicate the compensation provided to the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), and the three most highly compensated executive officers of the Corporation, if any, whose individual total compensation was more than \$150,000 for the year ended December 31, 2022 (each a "Named Executive Officer" or "NEO" and collectively, the "Named Executive Officers" or "NEOs") and how the determinations in respect of the NEOs' 2022 compensation were made. For the year ended December 31, 2022, the Corporation had the following three NEOs and no other executive officers or individuals acting in a similar capacity:

W. Sean Guest, CEO and President

Heather Campbell, CFO

Gordon R. Begg, Vice President Commercial ("**VP Commercial**")

Mr. Gordon R. Begg ceased to be VP Commercial on September 1, 2022 and is currently under a consultancy agreement with the Corporation.

The Board has established the Governance, Nominating and Compensation Committee of independent directors to assist the Board in fulfilling its obligations relating to human resource and compensation matters and succession planning, including the establishment of a plan for the development of senior management. The Governance, Nominating and Compensation Committee's mandate includes the following compensation related responsibilities:

- reviewing and recommending for Board approval, the corporate goals and objectives to be considered in determining the CEO's compensation and performance evaluation;
- in consultation with the CEO, reviewing and recommending the compensation philosophy, guidelines and plans for the Corporation's other executives and employees;

- for the purposes of the Corporation’s overall compensation program for directors and executive officers, establishing a compensation peer group of companies and annually reviewing such peer group’s compensation of directors and executive officers;
- for purposes of guiding the award of discretionary bonuses, establishing in consultation with the CEO, a corporate performance scorecard;
- reviewing and recommending compensation for directors including annual retainers and any awards under the DSU Plan;
- in consultation with the CEO, reviewing the appointment of and approving the compensation for the executive team;
- evaluating and providing feedback regarding the CEO’s performance and reviewing and recommending the compensation of the CEO;
- in consultation with the CEO, reviewing and recommending all other compensation principles or policy matters including the annual budget for employee base salaries and bonuses, long-term incentives (such as the Option Plan and PRSU Plan) and other benefits;
- for the purposes of the PRSU Plan, establishing a performance peer group of publicly-listed companies in assessing relative and absolute total shareholder return to the extent they are utilized in any PSU awards;
- assessing risk management implications with respect to the Corporation’s compensation policies and practices; and
- reviewing circumstances in which the Corporation’s Clawback Policy (as defined below) apply.

Compensation Philosophy and Objectives of Compensation Programs

The executive compensation program as adopted by Valeura and applied to its executive officers, all of whom were domiciled in Canada in 2022 and prior years, is designed to:

- attract and retain qualified and experienced executives who have international business and operations experience and will contribute to the success of Valeura;
- ensure the compensation of the executive officers provides a competitive base compensation package, with additional compensation to reward success and create a strong link between corporate performance and compensation; and
- motivate executive officers to enhance long-term shareholder value, with compensation being materially weighted toward at-risk long-term incentives in the form of security-based incentives so as to foster alignment with the interests of the Shareholders.

Valeura’s executive compensation program in 2022 consisted of four components as set forth in the following chart.

Compensation Components	Description and Purpose
<i>Base Salary</i>	A base level of income that reflects the executive’s position and level of responsibility, as well as salary norms in the sector and the general marketplace.

<i>Discretionary Cash Bonus</i>	A pay-at-risk component consisting of a discretionary cash award based on the executive officer’s position and corporate and personal performance, which is designed to reward the achievement of key corporate objectives.
<i>Long-Term Incentives</i>	An additional pay-at-risk component to compensation that rewards long-term performance by allowing executives to participate in the market appreciation of the Common Shares over an extended period. This component is also intended to create alignment with shareholders while keeping the Corporation competitive from a total remuneration standpoint and encourage executive retention through time-based and performance-based vesting of awards.
<i>Benefits</i>	Health and dental care and various forms of life, disability, critical illness and health spending accounts, plus certain additional prerequisites for NEOs such as parking.

See “Compensation Discussion and Analysis - Elements of Compensation”.

With the increase in the size of the Corporation in 2022 and 2023 through the acquisition of producing assets in Southeast Asia, all of the executive officers are expected to be domiciled in Singapore or Bangkok. While the elements of compensation are expected to remain unchanged, the relative weighting of these elements will need to be shaped to reflect international executive compensation practices as applicable to Southeast Asia, which generally reflect higher base salaries, certain relocation benefits and lower bonus and long-term incentive opportunities (variable pay) as compared to practices for executives domiciled in Canada.

The goals of the overall compensation program remain the same and are to attract and retain the most qualified people with relevant international experience, to motivate and reward such individuals on a short-term and long-term basis, and to create alignment between corporate performance and compensation. The Governance, Nominating and Compensation Committee and the Board intend that the total components of compensation (base salary, cash bonus, long-term incentive rewards and certain relocation benefits) reflect the application of their informed judgement in setting executive compensation believed to be competitive for similarly placed executives amongst the Corporation’s peers operating in the region where the executives are domiciled.

The Corporation does not believe that its compensation programs encourage excessive or inappropriate risk taking as: (i) the Corporation’s employees receive both fixed and variable compensation, and the fixed (salary and any relocation benefits) portion provides a steady income regardless of Common Share value which allows employees to focus on the Corporation’s business; and (ii) the security-based compensation plans encourage a long-term perspective due to the vesting provisions of the Options and Unit Awards. The Corporation believes that its compensation program is appropriately structured and balanced to motivate its executives and reward the achievement of annual performance goals, as well as the achievement of long-term growth in shareholder value.

The Corporation has adopted an anti-hedging policy which prohibits any NEO or director from purchasing financial instruments designed to hedge or offset a decrease in market value of equity securities granted as compensation or held by the NEO or director.

In addition, the Corporation has adopted a Clawback Policy (as defined below) that provides for the recoupment from directors, officers and executives of both cash and equity-based incentive compensation where an individual’s gross negligence, fraud, theft or willful misconduct caused them to receive an incentive compensation amount higher than what they would have otherwise received, regardless of whether there was a restatement of all or a part of the Corporation’s financial statements.

Determining Compensation

The Governance, Nominating and Compensation Committee, which was renamed in May 2023 with an

updated mandate, assists the Board in fulfilling its oversight responsibilities with respect to compensation matters. During the year ended December 31, 2022, the Governance, Nominating and Compensation Committee was comprised of Ms. Wood (Chair) and Messrs. Hiscock and Marchant. The Governance, Nominating and Compensation Committee operates under written terms of reference adopted by the Board. Each member of the Governance, Nominating and Compensation Committee in 2022 was an independent director as such term is defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and all members of the Governance, Nominating and Compensation Committee have gained experience in executive compensation and other human resource areas in the oil and gas industry through their tenure in executive roles in the energy sector and/or as directors of numerous organizations, and have direct experience in establishing executive and corporate compensation programs. In addition, the Governance, Nominating and Compensation Committee utilizes publicly disclosed compensation data from management information circulars.

The Governance, Nominating and Compensation Committee is now comprised of, and subject to their re-election at the Meeting, will continue to be comprised of Ms. Wood (Chair) and Messrs. Hiscock, Marchant and McFarland following the Meeting. Each member of the Governance, Nominating and Compensation Committee will be independent director as such term is defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. Mr. McFarland is now independent as, during the last three years, he has not earned more than \$75,000 in direct compensation in his capacity as a consultant from Valeura during any 12-month period.

The Corporation utilizes a corporate performance scorecard to guide the award of discretionary bonuses. A number of key performance indicators (“**KPIs**”) are established with a range of outcomes with a weighting applied to each KPI. Results are aggregated at the end of each performance period to provide a performance score ranging from 0 to 2.0, which is then applied to bonus targets for various executives and employees as a percent of base salary levels. For the 2022 performance year, scoring of the individual KPIs ranged from 0 to 2.0 such that the maximum bonus opportunity was 200% of the bonus targets. The Board, on the recommendation of the Governance, Nominating and Compensation Committee, may apply discretion to the scorecard results, both positive and negative within the scoring range above, taking a holistic view of corporate performance.

2022 Corporate Performance Scorecard

The Board initially established 2022 corporate performance targets (the “**2022 Corporate Performance Scorecard**”) which prioritized completing mergers and/or acquisitions, in addition to share price performance and progressing the evaluation of the Corporation’s Thrace Basin deep gas play (the “**Deep Gas Play**”) in Turkey. Given the successful completion of the deal with Kris Energy (the “**Kris Energy Acquisition**”) in the first half of the year, the Board opted to establish an evolved 2022 Corporate Performance Scorecard for the second half of the year, so as to include both operational and financial criteria relating to the Corporation’s expanded business in Southeast Asia.

The initial 2022 Corporate Performance Scorecard was focused on growth through mergers and/or acquisitions (“**M&A**”) and delivering shareholder values based on the following KPIs and weightings:

- 1) Execute the Kris Energy Acquisition - 25%;
- 2) Execute M&A deal with Mubadala Energy (the “**Mubadala Acquisition**”, and together with the Kris Energy Acquisition, the “**Acquisitions**”) - 35%;
- 3) Valeura’s share price performance compared to a peer group of international-focused companies and the S&P/TSX Canadian Energy Index – 20% (the “**2022 Performance Peer Group**”); and
- 4) Progress the evaluation of the Deep Gas Play – 20% (the “**Thrace Basin Progress**”).

Following the successful closing of the Kris Energy Acquisition, the Board amended the 2022 Corporate Performance Scorecard for the second half of 2022 to include a number of factors related to the operations of the acquired Thailand assets. While the 2022 Corporate Performance Scorecard still remained significantly focused on achieving growth through further M&A, some of the following KPIs were included that were pertinent to operations:

- Health, safety, security, environment and community relations performance;
- Restart of production operations from Wassana oil field in the Gulf of Thailand;
- Financing to support Thailand operations; and
- Commercial decision regarding Rossukon oil field in the Gulf of Thailand.

The 2022 Performance Peer Group, which was used for 2022, is shown below.

Entity	Listing	Entity	Listing
Africa Energy Corp.	TSXV	Rockhopper Exploration Plc	AIM
Africa Oil Corp.	TSX	SDX Energy Inc.	AIM
Condor Energies Inc.	TSX	Serinus Energy Inc.	AIM
Bowleven Plc	AIM	ShaMaran Petroleum Corp.	TSXV
Eco (Atlantic) Oil & Gas Ltd.	TSXV	S&P/TSX Canadian Energy Index	TSX
Empyrean Energy Plc	AIM	TAG Oil Ltd.	TSX
Falcon Oil & Gas Ltd.	TSXV/AIM	Touchstone Exploration Inc.	TSX/AIM
Forza Petroleum Limited	TSX	TransGlobe Energy Corporation	TSX/NASDAQ/AIM
Jadestone Energy Inc.	AIM	Trinity Exploration & Production Plc	AIM
Pharos Energy Plc	LSE	Wentworth Resources Plc	AIM

The CEO’s performance with respect to discretionary bonus payments was evaluated based on Valeura’s performance under the 2022 Corporate Performance Scorecard.

Compensation Approval Process

Compensation for the Corporation’s executive officers is recommended by the CEO and then reviewed by the Governance, Nominating and Compensation Committee. Recommendations are then made by the Governance, Nominating and Compensation Committee to the Board for the Board’s ultimate approval. In making recommendations, the CEO reviews compensation data in the oil and gas sector in the relevant markets that the executive officers reside and operate as disclosed in management information circulars, as well as other more subjective factors such as level of responsibility, importance to the Corporation, the degree to which an officer’s contribution will be critical to the Corporation’s success in the near and long-term, individual performance, corporate performance and market conditions. The Governance, Nominating and Compensation Committee then reviews and discusses these recommendations, generally including a review of market data, and determines what recommendations to make to the Board.

In 2022, the Corporation engaged an independent compensation and human resources consultant, Jane Barker, to assist management and the Governance, Nominating and Compensation Committee. The Governance, Nominating and Compensation Committee also engaged Mercer International Inc. (together with Jane Barker, the “**Compensation Consultants**”) as an independent compensation consultant to assist Ms. Barker and provide independent insight to the Governance, Nominating and Compensation Committee

and benchmarking of NEO compensation to ensure that the Corporation's NEOs are compensated at competitive levels. Although discussions between the CEO and members of the Governance, Nominating and Compensation Committee are customary during this process, certain deliberations of the Governance, Nominating and Compensation Committee and all final determinations by both the Governance, Nominating and Compensation Committee and the Board regarding executive compensation are conducted during *in camera* sessions in the absence of any members of management.

Following the end of each year, the Governance, Nominating and Compensation Committee distributes and utilizes a confidential CEO feedback instrument for the directors to assess the CEO's performance, including an assessment of the CEO's performance and achievement of the targeted goals and objectives for the prior year. The results of the directors' feedback are compiled on an anonymous basis to promote candid and constructive feedback. The results are distributed to the Board and play a role in setting the CEO's total compensation, including base salary, short-term bonus and long-term equity awards. The Chairman of the Board provides feedback to the CEO on performance for the prior year and results of the CEO feedback instrument.

The Board also approves compensation for the directors of the Corporation in the form of fees and long-term equity incentives based upon recommendations made by the Governance, Nominating and Compensation Committee, which also takes into account the assessment of publicly disclosed data from management information circulars.

Elements of Compensation

Base Salaries

Base salary is intended to reflect an executive officer's position within the corporate structure, his or her years of experience and level of responsibility, and salary norms in the sector and the general marketplace for the region in which the executives reside and operate. As such, decisions with respect to base salary levels for executive officers are not based on objective identifiable performance measures but for the most part are determined by reference to competitive market information for similar roles and levels of responsibility, as well as more subjective performance factors such as leadership, commitment, accountability, industry experience and contribution. The Corporation's view is that a competitive base salary is a necessary element for retaining qualified executive officers, as it creates a meaningful incentive for individuals to remain at Valeura and not be unreasonably susceptible to recruiting efforts by the Corporation's competitors.

As consideration for the services provided by the NEOs, the Corporation has agreed to pay the NEOs an annual salary in an amount determined by the Board in its annual salary review, which is typically completed in the first quarter of each fiscal year and effective April 1 of each year. See "NEO Compensation - Summary Compensation Table".

Following closing of the Kris Energy Acquisition in June 2022, the Board undertook a compensation review and at the August 2022 Board meeting, increased base salaries for the CEO, Sean Guest, to \$407,000 and CFO, Heather Campbell, to \$253,000, effective July 1, 2022.

Once the Corporation executed the Mubadala Acquisition the Corporation recognised that it needed to build out the new executive team to reflect its status as a significantly larger organization domiciled in Southeast Asia. In the fourth quarter of 2022, the Governance, Nominating and Compensation Committee reviewed the composition of its compensation peer group and determined that the following companies would comprise the compensation peer group (the "**2023 Compensation Peer Group**") for benchmarking purposes. The 2023 Compensation Peer Group was utilized as a reference point to establish a potential path for executive compensation given the expected growth in the size of the Corporation, which could then be used to review adjustments to base salaries of the CEO and CFO and to attract new executives.

Entity	Listing	Entity	Listing
Africa Energy Corp.	TSXV	Gran Tierra Energy Inc.	TSX/NYSEA
Africa Oil Corp.	TSX	Gulf Keystone Petroleum Limited	LSE
Canacol Energy Ltd.	TSX	International Petroleum Corp	TSX
Cooper Energy Ltd.	ASX	Jadestone Energy Inc.	AIM
Enquest Plc	LSE	Obsidian Energy Ltd.	TSX
Falcon Oil & Gas Ltd.	TSXV/AIM	Pharos Energy Plc	LSE
Frontera Energy Corporation	TSX	ShaMaran Petroleum Corp.	TSXV
Genel Energy Plc	LSE	Touchstone Exploration Inc.	TSX/AIM

Cash Bonus

Discretionary cash bonuses are part of the Corporation’s compensation program as it is believed that they can be used to help to motivate executive officers to achieve key corporate objectives or KPIs by rewarding the achievement of these objectives. Currently, cash bonuses are awarded on a discretionary basis following an evaluation of the corporate performance scorecard.

2022 Performance Evaluation

Given the 2022 Corporate Performance Scorecard criteria for both halves of 2022, the Governance, Nominating and Compensation Committee reviewed and ranked the elements of the 2022 Corporate Performance Scorecard individually and ultimately made a discretionary adjustment given the Acquisitions, which transformed the Corporation into a Southeast Asian cash flowing organization.

Specific analysis of the individual criteria in the scorecards yielded an average score of approximately 1.3 on a range of 0 to 2. The score was reduced largely due to the lack of delivery of production from the Wassana field. However, the Corporation successfully achieved its key criteria for the two Acquisitions, both of which were consistent with all material terms as originally negotiated. Further, the Corporation was not only performed better than the 2022 Performance Peer Group, but also delivered a 375% increase against its 2022 Common Share price performance and was second in a ranking of 121 energy companies listed on the Toronto Stock Exchange. Given the significant effort from the Corporation’s executive to deliver the Acquisitions, and the very high returns, the Board took a holistic view of overall corporate performance and applied upward discretion to its arithmetic scoring to provide an overall performance factor of 2.0 to be applied across the full 2022 year.

The corporate performance factor of 2.0 was applied to bonus target levels as a percentage of base salaries as of year-end 2022 and the resulting cash bonuses were approved by the Board on March 29, 2023. For the NEOs, the aggregate bonus amounts for 2022 were \$821,110 representing an average of 103% of the aggregate 2022 base salaries. See “NEO Compensation - Summary Compensation Table”.

Given the rapid pace at which the Corporation’s business has pivoted toward Southeast Asia, and the potential for further evolution as a result of the Corporation’s ongoing orientation toward inorganic growth, the Board intends to adjust the performance peer group on periodic basis, so as to best reflect the Corporation’s strategic focus, geographic orientation, size, and corporate growth trajectory, among other criteria. Further, given the significant production and cashflow that are being managed, the 2023 corporate performance scorecard will transition to being heavily weighted towards delivery on operational and financial targets of the Gulf of Thailand operations and will include factors related to ESG baseline measurement and targets.

Performance and Long-Term Incentives

The Corporation believes that long-term performance and increases in shareholder value are achieved through an ownership culture that encourages performance by all employees, including executives, through the use of at-risk long-term incentives. Long-term incentives are required in order for the Corporation to be competitive from a total remuneration standpoint when compared to those of larger companies in the oil and gas industry with whom it must compete for experienced executive officers. Accordingly, the Corporation established the Option Plan and the PRSU Plan to provide employees, including executive officers, with incentives to help align those employees' interests with the performance of the Corporation as reflected in the Common Share price. For a description of the Option Plan and the PRSU Plan, see "Equity Plan Compensation".

The Governance, Nominating and Compensation Committee, upon the recommendation of the CEO, reviews and makes recommendations to the Board for its ultimate approval with respect to grants of Options and/or Unit Awards to executive officers. When making recommendations with respect to Option and/or Unit Awards and the size of such awards, the Governance, Nominating and Compensation Committee takes into consideration the overall number of Options and Unit Awards that are outstanding relative to the number of outstanding Common Shares.

During the year ended December 31, 2022, NEOs were granted a total of 945,000 Options. The methodology for determining grants to NEO's was similar to prior years. All of the foregoing Options have a seven-year term and vest in thirds at the first, second and third anniversary of the grant date. In approving the overall grant of Options, regard was given to the desire to weight total compensation toward at-risk long-term incentives, as well as to foster alignment with the interests of Shareholders. In recommending to the Board the size of Option awards to individual executives, the Governance, Nominating and Compensation Committee considered the recommendations made by the CEO and each executive's level of responsibility and authority, with a particular emphasis on the degree to which each executive's contribution would be critical to long-term corporate success. Also, consideration was given to the amount of each executive's Option award as compared to the allocation of Options granted to the CEO and other officers to ensure an appropriate scaling within the executive team. See "NEO Compensation - Outstanding Option-Based Awards".

During the year ended December 31, 2022, no Unit Awards (PSUs or RSUs) were granted under the PRSU Plan. The Corporation intends to place greater emphasis on Unit Award grants as compared to Option awards, with a higher weighting to PSUs, for the year ended December 31, 2023 and in the future. In 2023, the Board plans to issue to certain executives annual Unit Awards under the PRSU Plan with a combination of 25% RSUs that will vest over time and 75% PSUs that will vest at the end of a three-year performance period based on the achievement of absolute and relative total shareholder return performance metrics.

Benefits

For 2022, the Corporation's benefits program consists of health and dental care and various forms of life, disability and critical illness insurances and health spending accounts consistent with industry norms. In addition, the NEOs receive a reimbursement of parking costs up to a defined limit or a transportation allowance in lieu of parking. The Corporation's benefits program will be reviewed in 2023 in consideration of the shift of the organisation to Southeast Asia.

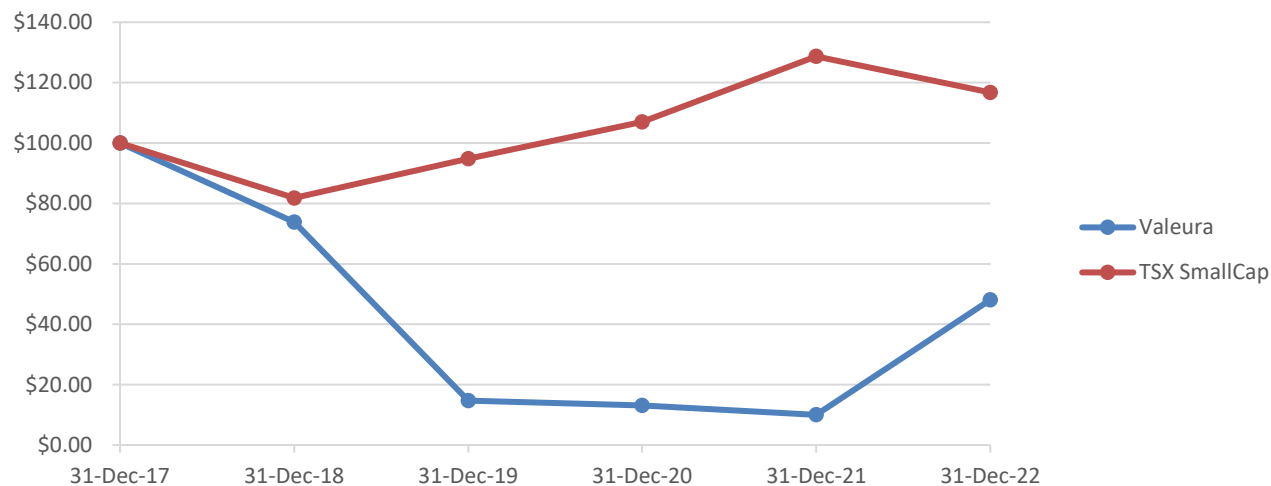
Severance and Change of Control Agreements

Executive Employment Agreements (as defined below) which provide severance or other payouts upon a change of control event, have been put in place for the following NEOs: Dr. Guest effective May 23, 2017 (and amended on January 1, 2018); and Ms. Campbell effective January 7, 2020. See "Employment Agreements and Termination and Change of Control Benefits". For new executives joining the Corporation

in 2023, the Corporation intends to put in place executive agreements consistent with market practice for executives in Southeast Asia.

Performance Graph

The following graph illustrates the cumulative return to Shareholders of a \$100 investment in Common Shares from December 31, 2017 to December 31, 2022, as compared to the cumulative total return on the Standard & Poor's/TSX SmallCap Index (“**TSX SmallCap**”) for the same period, assuming the reinvestment of cash distributions and/or dividends.



	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Valeura	\$100.00	\$73.79	\$14.71	\$13.10	\$10.00	\$48.05
TSX SmallCap	\$100.00	\$81.83	\$94.79	\$106.99	\$128.68	\$116.73

The trend shown in the above graph does not necessarily correspond to the Corporation’s trend of compensation for the NEOs for the period disclosed above. The Corporation considers a number of factors in connection with its determination of appropriate levels of compensation including, but not limited to, the demand for and supply of skilled professionals with experience in the oil and gas industry, individual performance, the Corporation’s performance (which is not necessarily tied exclusively to the trading price of the Common Shares on the TSX and other factors discussed under “Compensation Discussion and Analysis” above).

NEO Compensation

Summary Compensation Table

The following table provides information concerning compensation of the NEOs for the years ended December 31, 2022, 2021 and 2020.

Name and Principal Position	Year	Salary (\$)	Option Awards (\$)	Non-equity incentive plan compensation (\$)	All Other Compensation ⁽⁷⁾ (\$)	Total Compensation (\$)
				Annual Incentive Plan		
Dr. W. Sean Guest ⁽¹⁾ CEO and President	2022	385,417	474,000 ⁽⁴⁾	508,750	Nil	1,368,167
	2021	370,000	203,269 ⁽⁵⁾	99,715	Nil	672,984
	2020	370,000	98,009 ⁽⁶⁾	261,905	Nil	729,914
Heather Campbell CFO ⁽²⁾	2022	232,083	284,000 ⁽⁴⁾	253,000	Nil	769,083
	2021	210,000	121,961 ⁽⁵⁾	41,160	Nil	373,121
	2020	203,000	116,006 ⁽⁶⁾	108,108	Nil	427,114
Gordon R. Begg VP Commercial ⁽³⁾	2022	176,667	237,000 ⁽⁴⁾	59,360	392,136 ⁽⁸⁾	865,163
	2021	265,000	101,634 ⁽⁵⁾	42,018	Nil	408,652
	2020	261,000	57,915 ⁽⁶⁾	110,360	Nil	429,275

Notes:

- (1) Dr. W. Sean Guest was appointed CEO on January 1, 2018. Prior to this, Dr. Guest was the President since May 17, 2017.
- (2) Ms. Heather Campbell was appointed as CFO on January 7, 2020. Prior to this, Ms. Campbell was the Controller of Valeura since June 2017.
- (3) Mr. Gordon R. Begg was hired as the VP Commercial on May 30, 2018. Mr. Begg ceased to be VP Commercial on September 1, 2022 and is currently under a consultancy agreement with the Corporation.
- (4) This does not represent cash paid to the NEO. The actual value of the Options granted to the NEOs will be determined based on the market price of the Common Shares at the time of exercise of such Options, which may be greater or less than the grant date fair value reflected in the table above. This figure is based on the grant date fair value of such Options as at December 8, 2022 calculated through the use of the Black-Scholes Model. The grant date fair value was determined in accordance with International Financial Reporting Standards. This methodology was chosen in order to be consistent with the accounting fair value used by the Corporation in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term (weighted average expected life), risk-free interest rate, dividend yield of stock and volatility of stock return. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of \$1.05 per share; Risk-Free Interest Rate of 3.29%; Expected Life of 3.8 years; Expected Volatility of 94.74%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, none of these Options had vested as at December 31, 2022.
- (5) This does not represent cash paid to the NEO. The actual value of the Options granted to the NEOs will be determined based on the market price of the Common Shares at the time of exercise of such Options, which may be greater or less than the grant date fair value reflected in the table above. This figure is based on the grant date fair value of such Options as at March 24, 2021 calculated through the use of the Black-Scholes Model. The grant date fair value was determined in accordance with International Financial Reporting Standards. This methodology was chosen in order to be consistent with the accounting fair value used by the Corporation in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term (weighted average expected life), risk-free interest rate, dividend yield of stock and volatility of stock return. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of \$0.37 per share; Risk-Free Interest Rate of 0.81%; Expected Life of 4.5 years; Expected Volatility of 99%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, one-third of these Options had vested as at December 31, 2022.
- (6) This does not represent cash paid to the NEO. The actual value of the Options granted to the NEOs will be determined based on the market price of the Common Shares at the time of exercise of such Options, which may be greater or less than the grant date fair value reflected in the table above. This figure is based on the grant date fair value of such Options as at March 17, 2020 calculated through the use of the Black-Scholes Model. The grant date fair value was determined in accordance with International Financial Reporting Standards. This methodology was chosen in order to be consistent with the accounting fair value used by the Corporation in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term (weighted average expected life), risk-free interest rate, dividend yield of stock and volatility of stock return. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of \$0.18 per share; Risk-Free Interest Rate of 0.77%; Expected Life of 4.5 years; Expected Volatility of 99.5%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, two-thirds of these Options had vested as at December 31, 2022.
- (7) Nil indicates that perquisites and other personal benefits did not exceed \$50,000 or 10% of the total salary of the NEO for the financial year.
- (8) Represents a severance payment of \$368,657 and vacation pay of \$23,479 in accordance with his Executive Employment Agreement (as defined below).

Outstanding Option-Based Awards

The following table sets forth information with respect to the unexercised Options granted under the Option Plan to the NEOs which were outstanding as of December 31, 2022.

Name and Principal Position	Number of Common Shares Underlying Unexercised Options	Option-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
Dr. W. Sean Guest CEO and President	450,000	1.58	March 30, 2029	229,500
	550,000	0.52	March 24, 2028	863,500
	550,000	0.25	March 17, 2027	1,012,000
	600,000	0.75	May 17, 2024	804,000
Heather Campbell CFO	270,000	1.58	March 30, 2029	138,000
	330,000	0.52	March 24, 2028	518,100
	325,000	0.25	March 17, 2027	598,000
	150,000	0.54	January 7, 2027	232,500
	150,000	0.80	May 31, 2024	193,500
Gordon R. Begg VP Commercial ⁽²⁾	225,000	1.58	March 30, 2029	134,750
	275,000	0.52	March 24, 2028	431,750
	325,000	0.25	March 17, 2027	598,000

Notes:

- (1) The value shown is the product of the number of Common Shares underlying the Option multiplied by the difference between the Common Share TSX closing price on December 31, 2022 of \$2.09 and the exercise price.
- (2) Mr. Begg ceased to be VP Commercial on September 1, 2022 and is currently under a consultancy agreement with the Corporation.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options vested during the year ended December 31, 2022 as well as the cash bonuses granted to the NEOs during the year ended December 31, 2022.

Name and Principal Position	Option-Based Awards Value Vested During Year (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation Value earned during the year (\$)
Dr. W. Sean Guest CEO and President	35,750	508,750
Heather Campbell CFO	21,125	253,000
Gordon R. Begg ⁽²⁾ VP Commercial	21,125	59,360

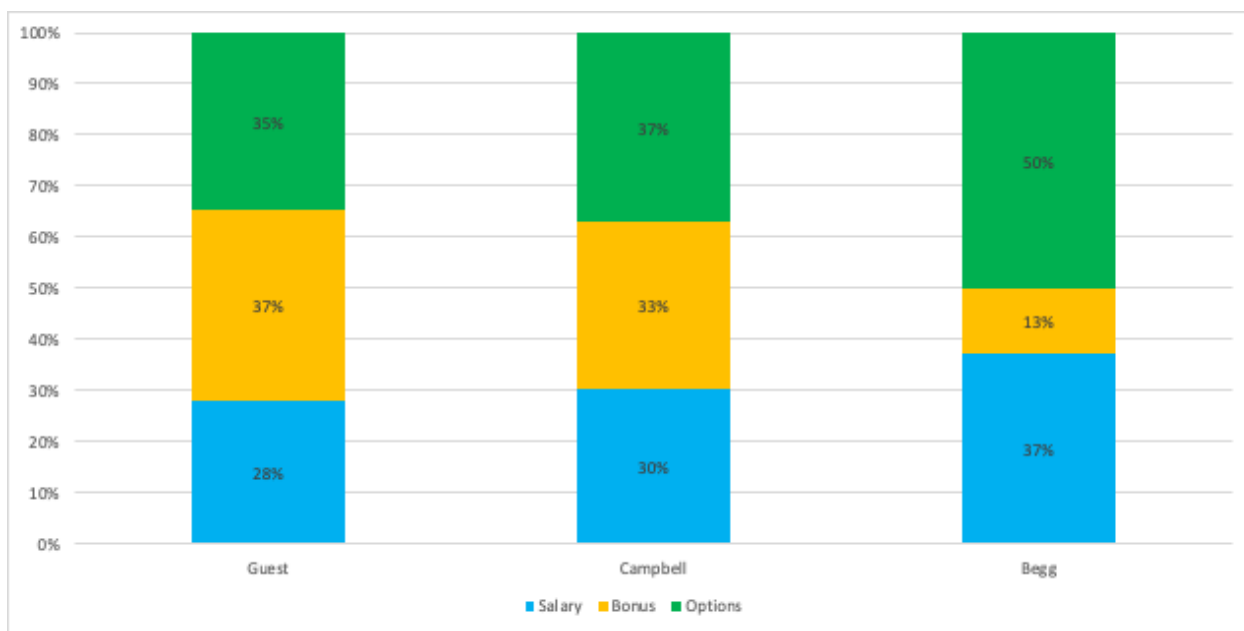
Notes:

- (1) The value shown is the product of the number of Common Shares underlying the Options that vested during the year multiplied by the difference between the Common Share TSX closing price on the day the Options vested and the exercise price of the Options that vested.
- (2) Mr. Begg ceased to be VP Commercial on September 1, 2022 and is currently under a consultancy agreement with the Corporation.

Executive Compensation Breakdown: Fixed vs. Performance Based “At Risk” Compensation

The Corporation’s compensation philosophy has emphasised variable (or “at risk”) compensation in the form of short-term incentive (bonuses) and long-term incentive compensation (Options), as opposed to fixed compensation (salaries). With respect to long-term incentives, it will be giving heavier weighting to performance-based PSU awards.

The Governance, Nominating and Compensation Committee and the Board believe that the mix of short term and long-term incentive awards, combined with corporate performance goals including achievement of corporate goals and objectives and relative share price performance, result in an appropriate mix of pay for performance and discouragement of inappropriate risk-taking behavior.



The weighting of the elements of compensation is expected to change in 2023 and overall executive officer compensation will increase in 2023, given the increase in the size of the Corporation and expansion into Southeast Asia. See “Compensation Philosophy and Objectives of Compensation Programs” above.

Employment Agreements and Termination and Change of Control Benefits

Each of the NEOs (except Mr. Gordon R. Begg, who ceased to be VP Commercial on September 1, 2022 and is currently under a consultancy agreement with the Corporation) is a party to an executive employment agreement (the “**Executive Employment Agreements**”) with the Corporation. The Executive Employment Agreement for Dr. Sean Guest as CEO and President was entered into in May 2017 (and amended in January 2018). Ms. Heather Campbell entered into an Executive Employment Agreement upon her appointment as CFO in January 2020. The Executive Employment Agreements have an indefinite term and contain standard confidentiality and non-solicitation provisions.

Valeura has agreed pursuant to the Executive Employment Agreements that the NEOs will receive base salaries determined by the Board and may receive discretionary bonuses, grants of Options and other security based compensation, reimbursement of expenses, benefits and certain perquisites as set forth in the Executive Employment Agreements, with the amounts paid in 2022 with respect to such matters set forth in the “Summary Compensation Table”.

The Executive Employment Agreements provide that, upon the termination of employment without just cause, in the case of constructive dismissal, upon disability as defined in the amended Executive Employment Agreements, or upon a change of control of the Corporation, the NEO is entitled to receive the amount of unpaid annual salary and declared but unpaid bonuses to and including the date of termination of employment, plus:

- (a) in the case of the CEO and President, a severance payment in the amount of two times the annual salary and cost of benefits and two times the average amount of the bonus paid for the three calendar years prior to the date of termination; and
- (b) in the case of the CFO, a severance payment in the amount of one times the annual salary and cost of benefits and one times the average amount of the bonus paid for the three calendar years prior to the date of termination.

The CEO and President has a “single-trigger” change of control provision in their applicable Executive Employment Agreement executed in years prior to 2020, meaning that if a change of control of the Corporation occurs, the termination payments must be made by the Corporation to the affected executive if the Corporation terminates the employment of the executive or the executive terminates its employment. The CFO has, and each future executive is expected to have, a “double-trigger” change of control provision in their applicable Executive Employment Agreement, meaning that if a change of control of the Corporation occurs, the termination payments must be made by the Corporation to the affected executive only if the Corporation terminates the employment of the executive or if the executive terminates for good reason.

Upon the death of any of the NEOs, such NEOs personal representatives shall be entitled to receive the amount of unpaid salary to and including the date of death, plus any bonus declared but not yet paid, plus all outstanding vacation pay and expense reimbursements.

In addition, in the event of termination of employment for any reason, any outstanding Options shall be treated in the manner set forth in the Option Plan and applicable stock option agreement, which provide that all unvested Options shall terminate as of the date notice is given in respect of such termination. Notwithstanding the foregoing, in the event of any Change of Control Transaction (as defined in the Option Plan) or an Unsolicited Offer (as defined in the Option Plan) or upon the death or disability of the NEO, all unexercised and unvested outstanding Options granted shall vest and become immediately exercisable unless otherwise determined by the Board in accordance with the Option Plan and the applicable stock option agreement. All Options granted under the Option Plan since August 12, 2020 include “double-trigger” acceleration of Option vesting in connection with a Change of Control Transaction (as defined in the Option Plan).

The following table sets forth information with respect to the estimated aggregate dollar amount to which each current NEO would have been entitled if the event resulting in termination of employment occurred on December 31, 2022.

Name	Triggering Event	Salary	Value of Bonus and other Benefits	Total Cash Payout	Value of Equity and Share Based Awards	Total Payout
Dr. W. Sean Guest	Termination with cause/resignation	Nil ⁽¹⁾	Nil	Nil	Nil ⁽³⁾	Nil
	Termination without cause	\$814,000	\$613,000 ⁽²⁾	\$1,427,000	Nil ⁽³⁾	\$1,427,000
	Change of control	\$814,000	\$613,000 ⁽²⁾	\$2,007,316	\$2,909,000 ⁽³⁾	\$4,916,316
Heather Campbell	Termination with cause/resignation	Nil ⁽¹⁾	Nil	Nil	Nil ⁽³⁾	Nil
	Termination without cause	\$253,000	\$151,000	\$404,000	Nil ⁽³⁾	\$404,000
	Change of control	\$253,000	\$151,000	\$404,000	1,697,800 ⁽³⁾	\$2,083,800

Notes:

- (1) In the event of a termination for just cause, resignation or retirement, the Corporation shall have no further obligation to the NEO, other than the payment of unpaid base salary, any bonus declared but not yet paid, plus all outstanding vacation pay and expense reimbursement.
- (2) The value shown is a multiple of the annual cost of benefits and the average cash bonus paid in respect of the years ended December 31, 2022, 2021 and 2020.
- (3) The value shown is the product of the number of Common Shares underlying the vested Options multiplied by the difference between the Common Share TSX closing price on December 31, 2022 of \$2.09 and the exercise price.

In connection with Mr. Begg ceasing to be Vice President, Commercial effective September 1, 2022, he

received a severance payment of \$368,657 and vacation pay of \$23,479 in accordance with his Executive Employment Agreement. Mr. Begg is currently under a consultancy agreement with the Corporation.

Due to the relocation of the executive team to Southeast Asia following the completion of the Mubadala Acquisition, Ms. Campbell and the Corporation reached an agreement whereby she will cease to be CFO effective as of May 15, 2023. She will receive a severance payment in the amount of \$404,000, plus an earned retainer payment to her departure date in the amount of \$126,500, vacation pay in the amount of \$47,813 and an additional bonus payment of \$60,000 in recognition of her dedicated service and strong contribution while the Corporation completed the Mubadala Acquisition and transition to a Southeast Asia organization.

The Corporation expects to appoint a new Singapore-based CFO at the time of Ms. Campbell's departure.

Director Compensation

Non-employee directors are remunerated based on their expertise and time commitment provided to the Corporation. For the year ended December 31, 2022: (A) non-employee directors received an annual retainer of \$45,000; (B) the Chairman of the Board received an additional retainer of \$15,000; (C) the Chair of the Audit Committee received an additional retainer of \$10,000; and (D) the Chairs of the Governance and Compensation Committee and the Reserves & Health, Safety, Security, Environment and Community Relations Committee each received an additional \$8,000 retainer. No additional meeting, committee member or travel fees were paid for Board and committee meeting attendance in 2022. In 2022 and prior years, non-employee directors also received additional equity awards in the form of Options under the Option Plan. In 2022, Options issued to non-employee directors reflected compensation in the amount of \$84,000 per non-employee director. See "Summary Compensation Table".

In consultation with the independent Compensation Consultants, and with reference to the 2023 Compensation Peer Group, it was determined that the Corporation's director compensation was significantly below director compensation levels for the Corporation's peers and in the international market. In connection with the Mubadala Acquisition and to allow the Corporation to attract new directors with the appropriate expertise and skill sets required for Valeura's significantly larger organization, the Board determined that the Corporation would increase annual retainers to more competitive levels in 2023, in concert with increases to executive compensation.

Following closing of the Mubadala Acquisition, at the Board meetings in May, 2023, the Board increased director compensation effective January 1, 2023 as follows: (A) the Chairman of the Board will receive an annual base retainer comprising cash and equity (excluding additional committee chair cash retainers) ("**Annual Base Retainer**") with a value of US\$180,000; (B) other non-employee directors will receive an Annual Base Retainer with a value of US\$120,000; (C) the Chair of the Audit Committee will receive an additional cash retainer of US\$15,000; (D) the Chair of the Governance, Nominating and Compensation Committee will receive an additional cash retainer of US\$12,000; and (E) the Chairs of the Reserves Committee and the Health, Safety and Sustainability Committee will each receive an additional cash retainer of US\$10,000.

Of the Annual Base Retainer amount (excluding additional committee retainers), up to 100% will be provided in the form of DSUs as elected by the director under the newly adopted cash-settled DSU Plan described below, subject to some minimum DSU percentage requirement while Share Ownership Guidelines have yet to be met and lesser minimum percentage post achievement of the Share Ownership Guidelines. Any residual amount of the Annual Base Retainer above the mandated minimum DSU percentage levels and additional committee retainers will be provided in cash.

In May 2023, the Board adopted the cash-settled DSU Plan, pursuant to which the Board may direct that a portion of the Annual Base Retainer for the Chair and other non-executive directors, excluding any

additional committee chair retainers, shall be received in the form of DSUs. Each non-employee director may also elect to receive all or a portion of such annual retainer in the form of DSUs that is in excess of the portion mandated to be paid in DSUs by the Board.

The Share Ownership Guidelines require non-employee directors to receive at least 50% of their Annual Base Retainer in the form of DSUs until the applicable Share Ownership Guidelines requirement is met, after which non-employee directors are required to receive at least 25% of the Annual Base Retainer in the form of DSUs. For purposes of the Share Ownership Guidelines, “Annual Base Retainer” means a director’s annual base retainer, including any additional annual retainer for serving as the Chairman of the Board, but excluding any additional committee chair or committee membership retainers.

A DSU is a notional unit, equivalent in value to a Common Share, credited by means of a bookkeeping entry to an account in the name of the director. When cash dividends are paid on Common Shares, additional DSUs will automatically be granted to each director who holds DSUs on the record date for the dividends. When an eligible director no longer holds a position with the Corporation and its related entities, the director will receive a payment in cash based on the fair market value of the Common Shares represented by his or her DSUs on the director’s elected redemption date(s). Each director will have up to two elected redemption date(s) that will not be earlier than the date the director ceases to hold all positions with the Corporation and its related entities and will not be later than December 1 of the year following the year in which the director ceases to hold all positions with the Corporation and its related entities.

The number of DSUs granted is determined based on the five-day weighted average trading price of the Common Shares on the TSX at the time of grant and the DSUs are settled in cash based on the five-day weighted average trading price of the Common Shares on the redemption date. No Common Shares will be issued under the DSU Plan.

During the year ended December 31, 2022, the DSU Plan was not in place and no DSUs were granted. However, commencing in 2023 and going forward, the Board intends to move away from granting Options to non-employee directors and intends to use DSUs as the primary form of director compensation, together with a cash component.

Non-employee directors will remain eligible to receive grants of Options and RSUs, in addition to DSUs pursuant to the DSU Plan. Non-employee directors are not eligible to receive grants of PSUs. The Governance, Nominating and Compensation Committee recommends to the full Board compensation levels and any Options, RSUs or DSUs grants for non-employee directors, taking into account compensation data for the directors of similar companies. New directors typically receive an initial grant upon appointment or election, as applicable, subject to any blackout restrictions which may delay the grant.

Dr. Guest as an employee director did not receive any compensation as a director of the Corporation for the year ended December 31, 2022 and thus is not included in the following tables. All of Dr. Guest’s compensation information is reflected under “NEO Compensation – Summary Compensation Table”.

Summary Compensation Table

The following table sets forth information concerning compensation paid to the non-employee directors for the year ended December 31, 2022.

Name	Fees Earned (\$)	Option-based awards (\$) ⁽¹⁾⁽²⁾	All Other Compensation (\$) ⁽³⁾	Total (\$)
Dr. Timothy R. Marchant	60,000	84,000	Nil	144,000
Ronald W. Royal	53,000	84,000	Nil	137,000
Russell J. Hiscock	55,000	84,000	Nil	139,000
James D. McFarland	45,000	84,000	Nil	129,000
Kimberley K. Wood	53,000	84,000	Nil	137,000
Timothy N. Chapman	45,000	84,000	Nil	129,000

Notes:

- (1) The actual value of the Options granted to the directors will be determined based on the market price of the Common Shares at the time of exercise of such Options, which may be greater or less than grant date fair value reflected in the table above. See "Director Compensation - Outstanding Option-Based Awards".
- (2) This does not represent cash paid to the director. This figure is based on the grant date fair value of such Options as at December 8, 2022 calculated through the use of the Black-Scholes Model. The grant date fair value was determined in accordance with International Financial Reporting Standards. This methodology was chosen in order to be consistent with the accounting fair value used by the Corporation in its financial statements and since Black-Scholes is a commonly used methodology for valuing options which provides an objective and reasonable estimate of fair value. The key assumptions of this valuation include current market price of the stock, exercise price of the option, option term (weighted average expected life), risk-free interest rate, dividend yield of stock and volatility of stock return. The actual assumptions and estimates used for the summary compensation table values were as follows: Fair Value of \$1.05 per share; Risk-Free Interest Rate of 3.29%; Expected Life of 3.8years; Expected Volatility of 94.74%; and Dividend per Share of nil. The Options vest in thirds, on the first, second and third year anniversary of the grant date. Accordingly, none of these Options had vested as at December 31, 2022.
- (3) Nil indicates that no other compensation was paid or otherwise provided, indirectly or directly, by the Corporation to a director in any capacity, under any other arrangement.

Outstanding Option-Based Awards

The following table sets forth information with respect to the unexercised Options granted under the Option Plan to the non-employee directors which were outstanding as of December 31, 2022.

Name and Principal Position	Number of Common Shares Underlying Unexercised Options	Option-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
Dr. Timothy R. Marchant	80,000	1.58	March 30, 2029	40,800
	100,000	0.52	March 24, 2028	157,000
	100,000	0.25	March 17, 2027	184,000
	30,000	0.73	March 17, 2024	40,800
	20,000	0.75	March 23, 2023	26,800
Ronald W. Royal	80,000	1.58	March 30, 2029	40,800
	100,000	0.52	March 24, 2028	157,000
	100,000	0.25	March 17, 2027	184,000
	30,000	0.73	March 17, 2024	40,800
	20,000	0.75	March 23, 2023	26,800
Russell J. Hiscock	80,000	1.58	March 30, 2029	40,800
	100,000	0.52	March 24, 2028	157,000
	100,000	0.25	March 17, 2027	184,000
James D. McFarland	80,000	1.58	March 30, 2029	40,800
	100,000	0.52	March 24, 2028	157,000
	100,000	0.25	March 17, 2027	184,000
	190,000	0.73	March 17, 2024	258,400
	140,000	0.75	March 23, 2023	187,600

Name and Principal Position	Number of Common Shares Underlying Unexercised Options	Option-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
Kimberley K. Wood	80,000	1.58	March 30, 2029	40,800
	100,000	0.52	March 24, 2028	157,000
	100,000	0.25	March 17, 2027	184,000
Timothy N. Chapman	80,000	1.58	March 30, 2029	40,800
	100,000	0.52	March 24, 2028	157,000
	100,000	0.54	January 7, 2027	155,000

Note:

- (1) The value shown is the product of the number of Common Shares underlying the Option multiplied by the difference between the Common Share TSX closing price on December 31, 2022 of \$2.09 and the exercise price.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth information with respect to the value of Options vested during the year ended December 31, 2022 as well as the cash bonuses granted to directors during the year ended December 31, 2022.

Name	Option-Based Awards Value Vested During Year (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation Value earned during the year (\$)
Dr. Timothy R. Marchant	6,500	Nil
Ronald W. Royal	6,500	Nil
Russell J. Hiscock	6,500	Nil
James D. McFarland	6,500	Nil
Kimberley K. Wood	6,500	Nil
Timothy N. Chapman	6,500	Nil

Note:

- (1) The value shown is the product of the number of Common Shares underlying the Options that vested during the year multiplied by the difference between the Common Share TSX closing price on the respective days the Options vested and the exercise price of the respective Options that vested.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Except as disclosed in this Information Circular, management of Valeura is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed director, executive officer, nor any of their respective associates or affiliates, is or has been indebted to the Corporation or its subsidiaries since the beginning of the Corporation's most recently completed financial year.

EQUITY PLAN COMPENSATION

The Corporation currently has two equity compensation plans in place, the Option Plan and PRSU Plan as amended and approved by Shareholders in August 2020. Both plans authorize the Board to make grants to directors, officers, employees or other services providers of the Corporation and its subsidiaries, provided that non-employee directors are not eligible to receive grants of PSUs. In 2022, the Corporation granted Options exercisable into 1,877,500 Common Shares, representing 1.86% of the issued and outstanding

Common Shares as at December 31, 2022. A total of 500,000 Options exercisable into Common Shares were exercised and nil Options were forfeited and cancelled in 2022 and 63,500 Options expired. As of December 31, 2022, the Corporation had Options exercisable into 7,981,666 Common Shares outstanding, which represented approximately 9.16% of the then issued and outstanding Common Shares as at December 31, 2022.

As of December 31, 2022, no PSUs or RSUs had been granted under the PRSU Plan. However, commencing in 2023 and going forward, the Board expects to place greater emphasis on Unit Award grants, with a higher weighting to PSUs, to better align executive compensation with shareholder value experience.

In 2023, the Board plans to issue to certain executives Unit Awards with a combination of 25% RSUs that will vest over three years at the first, second and third anniversary of the grant date and 75% PSUs that will vest at the end of a three-year performance period based on the achievement of absolute and relative total shareholder return performance metrics.

Number of Common Shares Available Under the Option Plan and the PRSU Plan

The 10% rolling limit on the number of Common Shares that may be reserved for issuance applies to the Common Shares reserved for issuance under both the Option Plan and the PRSU Plan, as well as any other security-based compensation plans of the Corporation. Accordingly, the number of Common Shares reserved for issuance pursuant to Options under the Option Plan, Unit Awards under the PRSU Plan, and under any security-based compensation arrangement of the Corporation, cannot exceed 10% of the aggregate number of issued and outstanding Common Shares on a non-diluted basis from time to time.

The “reloading” of Options is permitted under the Option Plan. If any Option is not exercised prior to expiry, or is terminated, disposed of, exercised, cancelled or surrendered for any reason, the Common Shares reserved and authorized for issuance pursuant to such Option will revert to the Option Plan and be available for other Option grants, subject to the foregoing reserve limitations. Similarly, Common Shares underlying Unit Awards that expire, terminate or are settled or cancelled will be available for subsequent issuance under the PRSU Plan.

Insider Participation Limits Under the Option Plan and the PRSU Plan

Subject to the policies of the TSX: (i) no one eligible participant can receive Options, RSUs or PSUs, that when combined with any other security-based compensation arrangement of the Corporation, will entitle the holder to more than 5% of the total number of Common Shares; (ii) the number of Common Shares reserved for issuance at any time to Insiders under the Option Plan, the PRSU Plan and any other security-based compensation arrangement of the Corporation cannot exceed 10% of the total number of Common Shares outstanding; and (iii) there may not be issued to Insiders under the Option Plan, the PRSU Plan and any other security-based compensation arrangement of the Corporation, within a 12 month period, a number of Common Shares that will exceed 10% of the total number of Common Shares outstanding at such time. The term “**Insider**” has the meaning ascribed thereto in the TSX Company Manual. In addition, both the Option Plan and PRSU Plan include the non-employee director participation limits whereby the aggregate value of all Options, RSUs and any other awards that may be granted to any one non-employee director in any one year period under all security-based compensation arrangements of the Corporation may not exceed \$150,000 (with no more than \$100,000 attributable to Options) based on the grant date fair value of the awards. The non-employee director participation limits do not apply to one-time initial grants to a new director upon joining the Board.

Option Plan

Commencing in 2023 and going forward, the Board expects to place greater emphasis on Unit Award grants, as opposed to Options, with a higher weighting to PSUs to better align executive compensation with shareholder value.

Purposes of the Option Plan

The Option Plan is intended to achieve a number of objectives through the grant of Options including:

- retaining and attracting qualified directors, officers, employees and consultants;
- promoting a proprietary interest in the Corporation;
- providing a long-term incentive element in compensation; and
- promoting profitability of the Corporation and its subsidiaries.

Administration

The Option Plan is administered by the Board. The Board can delegate the administration of the plan to a committee of directors. Subject to the Shareholder approval requirements, the Board has the discretion to interpret the provisions of the Option Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Option Plan.

Vesting

The vesting of an Option granted under the Option Plan will be as determined by the Board when such Option is granted; however, Options generally vest as to one third on each of the first, second and third anniversaries of the grant date.

Term and Black-out Periods

Under the Option Plan, all Options will be for a term as determined in the discretion of the Board at the time of the grant, provided that no Options will have a term exceeding 10 years.

The Option Plan also allows for the extension of the expiry date for an Option expiring during a black-out period imposed by the Corporation. In the event that the expiration date of an Option falls within such a black-out period or within five business days after a black-out period, the expiry date of such Options will be extended to be 10 business days after the black-out period ends, provided that in no case will such extension create an Option having a term exceeding 10 years.

Exercise and Exercise Price

Subject to the policies of the TSX and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Option Plan will be as determined by the Board when such Option is granted and will be an amount at least equal to the last per Common Share closing price of the Common Shares on the TSX before the date of grant of an Option.

In addition to cash, the Option Plan allows, subject to the approval of the Corporation, Option holders to pay for the aggregate exercise price of vested Options pursuant to a broker-assisted cashless exercise, whereby the optionee (or its representative) elects to receive: (a) an amount in cash equal to the cash proceeds realized upon the sale in the capital markets of the Common Shares underlying the vested Options

by a securities dealer designated by the Corporation, less the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Common Shares; (b) an aggregate number of Common Shares that is equal to the number of Common Shares underlying the vested Options minus the number of Common Shares sold in the capital markets by a securities dealer designated by the Corporation as required to realize cash proceeds equal to the aggregate exercise price, any applicable withholding taxes and any transfer costs charged by the securities dealer to sell the Common Shares; or (c) a combination of (a) and (b). All Common Shares issued in accordance with the foregoing are issued as fully paid and non-assessable Common Shares, following which the optionee will have no further rights, title or interest with respect to the exercised Options.

Ceasing to be a Director, Officer, Employee or Consultant

The Option Plan gives the Board discretion when granting Options to determine whether Options may be exercised at all or for a limited period of time following an optionee ceasing to be an employee, officer, director or consultant for any reason other than death. In the event of the death of an optionee, vested Options held by such optionee shall be exercisable for a period not exceeding 12 months following the death of the optionee.

All Options granted under the Option Plan since August 12, 2020 are subject to a change of control provision providing for “double-trigger” acceleration of Option vesting (as opposed to “single-trigger” acceleration on Options granted prior to August 12, 2020). Accordingly, if a holder of new Options ceases to be an officer or employee of the Corporation or a subsidiary as a result of being terminated by the Corporation or a subsidiary on a without cause basis or resigns in circumstances constituting good reason, a director ceases to be a member of the Board, or a consultant’s services are terminated by the Corporation or a subsidiary unless due to consultant’s breach of contract or arrangement with the Corporation or subsidiary, in each case, on or within 12 months following the effective time of a Change of Control Transaction and before the expiry of the holder’s Options, all unvested Options on the holder’s cessation date will immediately vest and be exercisable for 12 months following the cessation date. At the end of the 12 month period or such shorter time as is remaining in the term of the Options, the unexercised Options will automatically terminate and be of no further force or effect.

Change of Control Transactions

The Option Plan provides that in the event of a Change of Control Transaction, the surviving, successor or acquiring entity will assume any outstanding Options or will substitute similar stock options for the outstanding Options. If the surviving, successor or acquiring entity does not assume the outstanding Options or substitute similar stock options for the outstanding Options or if the Board otherwise determines in its discretion, the Corporation will give written notice to all Option holders advising that the Option Plan will be terminated effective immediately prior to the effective time of the Change of Control Transaction and all Options will be deemed to be vested and, unless otherwise exercised, forfeited or cancelled prior to the termination of the Option Plan, will expire immediately prior to the termination of the Option Plan.

In the event of a Change of Control Transaction, the Board has the power to:

- (i) make such other changes to the terms of the Options as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Option holders;
- (ii) otherwise modify the terms of the Options to assist the Option holders to tender into a takeover bid or other arrangement leading to a Change of Control Transaction, and thereafter; and
- (iii) terminate, conditionally or otherwise, the Options not exercised following successful completion of such Change of Control Transaction.

If the Change of Control Transaction is not completed within the time specified therein (as the same may be extended), the Options which vest pursuant to the foregoing Change of Control Transaction provisions will be returned by the Corporation to the Option holder and, if exercised, the Common Shares issued on such exercise will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Options will be reinstated.

All outstanding Options granted prior to August 12, 2020 remain subject to a “single-trigger” acceleration of Option vesting in connection with a Change of Control Transaction (unvested Options will vest at the time of a Change of Control Transaction).

Adjustments

The Option Plan gives the Board discretion to may make adjustments to Options to prevent substantial dilution or enlargement of the rights granted to Option holders in the context of certain specified corporate events.

Amendments and Termination

The Corporation retains the right to amend from time to time, suspend, terminate or discontinue the terms and conditions of the Option Plan by resolution of the Board. Any amendments will be subject to the prior consent of any applicable regulatory bodies, including the TSX, as may be required. Any amendment to the Option Plan will take effect only with respect to Options granted after the effective date of such amendment, provided that it may apply to any outstanding Options with the mutual consent of the Corporation and the Option holder.

The Option Plan contains provisions specifically outlining amendments to the Option Plan which may be made by the Board without and with the further approval of Shareholders.

Other than amendments requiring Shareholder approval as described below, the Board has the power to approve amendments relating to the Option Plan or Options issued thereunder, without further approval of the Shareholders, including without limitation to the extent that such amendment:

- is for the purpose of curing any ambiguity, error or omission in the Option Plan or to correct or supplement any provision of the Option Plan that is inconsistent with any other provision of the Option Plan;
- is necessary to comply with applicable law or the requirements of the TSX or any other stock exchange on which the Common Shares are listed;
- is an amendment respecting administration and eligibility for participation under the Option Plan;
- alters, extends or accelerates the terms of vesting applicable to any Options;
- is an amendment to the termination or early termination provisions of the Option Plan or any Option, whether or not such Option is held by an Insider, provided such amendment does not entail an extension beyond the original expiration date;
- includes or modifies a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the Option Plan maximum;

- is necessary for Options to qualify for favourable treatment under applicable tax laws;
- is an amendment to the Option Plan of a “housekeeping nature”; or
- is an amendment necessary to suspend or terminate the Option Plan.

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

- an amendment to increase the maximum number of Common Shares issuable under the Option Plan, other than pursuant to certain adjustments as described above;
- an amendment that increases the limits previously imposed on non-employee director participation;
- an amendment to the amendment provisions;
- an amendment that would allow for the transfer or assignment of Options, other than for normal estate settlement purposes;
- an amendment extending the term of an Option beyond the original expiration date, except in connection with a black-out period as described above;
- any amendment to the Option Plan that increases the length of the period after a black-out period during which Options may be exercised;
- an amendment to change the class of eligible participants to the Option Plan which would have the potential of broadening or increasing participation by Insiders, including any amendment to remove or to exceed the insider participation limits as described above;
- any amendment which would result in the exercise price for any Option granted under the Option Plan being lower than the fair market value at the grant date of the Option;
- any amendment which reduces the exercise price of an outstanding Option or allows for the cancellation and reissuance of an Option, which would be considered a repricing under the rules of any stock exchange on which the Common Shares are listed, in each case, other than pursuant to a Change of Control Transaction or certain adjustments as described above;
- an amendment to add any form of financial assistance by the Corporation for the exercise of any Option; and
- an amendment required to be approved by security holders under applicable law or the rules, regulations and policies of any stock exchange on which the Common Shares are listed.

The amendment provision explicitly requires that Shareholder approval be sought for each of the applicable amendments listed above.

Clawback

Options are subject to the Clawback Policy described below.

Non-Assignability

The Options are not transferable or assignable, except for a limited right of assignment on the death or incapacity of an optionee.

Burn Rate

The annual burn rate of Options granted under the Option Plan in respect of: (i) fiscal year 2022 was 2.17%; (ii) fiscal year 2021 was 2.67%; and (iii) fiscal year 2020 was 3.69%. The “annual burn rate” is the number of Options granted under the Option Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year.

PRSU Plan

Purposes of the PRSU Plan

The principal purposes of the PRSU Plan are to: (i) to strengthen the ability of the Corporation to attract and retain qualified directors, officers, employees and consultants which the Corporation and its subsidiaries require; (ii) to encourage the acquisition of a proprietary interest in the Corporation; and (iii) to focus management of the Corporation and its subsidiaries on operating and financial performance and total long-term Shareholder return by providing an increased incentive to contribute to the Corporation’s growth and profitability.

Administration of the PRSU Plan

The PRSU Plan will be administered by the Board. Subject to Shareholder approval requirements, the Board will have the authority to make Unit Awards, to determine to whom and the times at which Unit Awards will be granted, to determine the fair market value of the Common Shares in accordance with the terms of the PRSU Plan, to determine the number of PSUs and/or RSUs to be awarded pursuant to each Unit Award, to determine the vesting conditions, vesting schedules, settlement dates, terms, limitations, restrictions and conditions applicable to the Unit Awards, to prescribe, amend and rescind rules and regulations relating to the PRSU Plan, to interpret the PRSU Plan, to determine the terms and provisions of Unit Award Agreements (as such term is defined in the PRSU Plan) and to make all other determinations deemed necessary for the administration of the PRSU Plan. The Board can delegate the administration of the plan to a committee of directors. The Board has the discretion to interpret the provisions of the PRSU Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the PRSU Plan.

Vesting

The vesting date(s) for PSUs and any adjustment (upward or downward) to the number of PSUs that vest by the application of a Performance Factor (as such term is defined in the PRSU Plan) will be determined at the discretion of the Board.

The vesting of RSUs is solely time-based as they will vest over a period of time determined at the discretion of the Board.

Black-out Periods

The PRSU Plan also allows for the extension of the vesting date for a Unit Award during a black-out period imposed by the Corporation. In the event that the vesting date of a Unit Award falls within a black-out period or within five business days after a black-out period, the vesting date of such Unit Award will be extended to 10 business days after the black-out period ends; provided that the settlement date of any such

Unit Award cannot be extended later than December 31st of the third year following the year in respect of which the Unit Award was granted.

Eligibility and Award Determination

In accordance with the terms of the PRSU Plan, Unit Awards may be granted to employees, officers, directors or consultants of the Corporation or a subsidiary (individually, a “**Service Provider**” and collectively, “**Service Providers**”), provided that non-employee directors are not eligible to receive grants of PSUs.

In determining the Service Providers to whom Unit Awards may be granted and the number of PSUs and/or RSUs to be awarded pursuant to each Unit Award, the Board may take into account any of the following factors: (i) compensation data for comparable benchmark positions among the Corporation’s competitors; (ii) the duties and seniority of the Service Provider; (iii) corporate performance measures of the Corporation for the most recently completed fiscal year; (iv) individual and/or departmental contributions and potential contributions to the success of the Corporation; and (v) such other factors as the Board deems relevant in connection with accomplishing the purpose of the PRSU Plan.

Dividends

Under the terms of the PRSU Plan, in the event that the Corporation pays dividends on the Common Shares (including in additional Common Shares) following the granting of a Unit Award, the number of all PSUs and RSUs credited to the grantee’s Performance Account (as defined in the PRSU Plan) will be increased pursuant to the terms of the PRSU Plan.

Settlement of Unit Awards

Payment in respect of vested Unit Awards is generally made by delivering Common Shares to the grantee on the applicable settlement date. The aggregate number of Common Shares to be delivered pursuant to a vested Unit Award will be equal to the whole number of Unit Awards that have vested (subject to the satisfaction of applicable withholding taxes).

Notwithstanding the foregoing, the Board may elect, in its sole discretion, to pay to any grantee of a vested Unit Award in lieu of delivering all or any part of the Common Shares that would be otherwise delivered to the grantee on such settlement date, a cash amount equal to the aggregate fair market value of such Common Shares that would otherwise be issued on the applicable settlement date, less any applicable withholding taxes.

No fractional Common Shares will be delivered pursuant to the PRSU Plan, nor will any cash be paid at any time in lieu of any such fractional interest.

Termination of Relationship as Service Provider

In the event that a grantee of a Unit Award is terminated by the Corporation or a subsidiary (whether for cause or without cause), all outstanding Unit Award Agreements (as such term is defined in the PRSU Plan) and unvested Unit Awards held by such grantee will be terminated and all rights to receive Common Shares thereunder will be forfeited. In the event that a grantee of a Unit Award ceases to be a Service Provider for any reason other than due to a termination by the Corporation or a subsidiary or the disability or death of such grantee, all Unit Award Agreements (as such term is defined in the PRSU Plan) and all unvested Unit Awards will be terminated and all rights to receive Common Shares thereunder will be forfeited as of the last day of any notice period applicable in respect of such cessation of services. In the event of the disability or death of the grantee, the vesting of all unvested Unit Awards will be accelerated as of the date of the grantee’s death or as of the date of the determination of disability, as applicable, provided that the Board,

taking into account the performance of the Corporation and the grantee, may determine the Performance Factor to be applied in determining the number of PSUs which will vest, and all such vested Unit Awards will be settled on the settlement date.

Notwithstanding the foregoing, if a grantee ceases to be: (i) an officer or employee of the Corporation or a subsidiary as a result of being terminated on a without cause basis or resigns in circumstances constituting good reason; (ii) a member of the Board; or (iii) a consultant of the Corporation or a subsidiary as a result of being terminated by the Corporation or a subsidiary unless due to the consultant's breach of contract or arrangement with the Corporation or a subsidiary, in each case, on or within 12 months following the effective time of a Change of Control Transaction, (a) all PSUs held by the grantee that have not yet vested as of such time multiplied by the applicable Performance Factor(s) will vest and be settled on the grantee's cessation date, and (b) all RSUs held by the grantee that have not yet vested as of such time will vest and be settled on the grantee's cessation date. The number of PSUs which are deemed to be vested will be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Factor(s) prior to the grantee's cessation date.

Change of Control Transactions

Notwithstanding any other provision of the PRSU Plan, in the event of a Change of Control Transaction (as such term is defined in the PRSU Plan), the surviving, successor or acquiring entity will assume any outstanding Unit Awards or will substitute similar share units for the outstanding Unit Awards. If the surviving, successor or acquiring entity does not assume the outstanding Unit Awards or substitute similar share units for the outstanding Unit Awards or if the Board otherwise determines in its discretion, the Corporation will give written notice to all grantees advising that the PRSU Plan will be terminated effective immediately prior to the effective time of the Change of Control Transaction and all RSUs and a specified number of PSUs will be deemed to be vested and, unless otherwise settled, forfeited or cancelled prior to the termination of the plan, will be settled immediately prior to the termination of the plan. The number of PSUs which are deemed to be vested will be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Factor(s) prior to the effective time of the Change of Control Transaction.

In the event of a Change of Control Transaction, the Board has the power to: (i) make such other changes to the terms of the Unit Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the grantees; (ii) otherwise modify the terms of the Unit Awards to assist the grantees to tender into a takeover bid or other arrangement leading to a Change of Control Transaction, and thereafter; and (iii) terminate, conditionally or otherwise, the Unit Awards not settled following successful completion of such Change of Control Transaction. If the Change of Control Transaction is not completed within the time specified therein (as the same may be extended), the Unit Awards which vest pursuant to the foregoing will be returned by the Corporation to the grantee and, if settled the Common Shares issued on such settlement will be reinstated as authorized but unissued Common Shares and the original terms applicable to such Unit Awards will be reinstated.

Adjustments

Outstanding Unit Awards granted under the PRSU Plan may be adjusted in certain events, such as any change in the Common Shares through a reorganization or the granting of rights to Shareholders to purchase Common Shares at prices substantially below fair market value. In these events, the PRSU Plan or any Unit Awards may be adjusted by the Board to prevent dilution or enlargement.

Amendments and Termination

Other than amendments requiring Shareholder approval as described below, the Corporation retains the right to amend from time to time or to suspend, terminate or discontinue the terms and conditions of the

PRSU Plan and the Unit Awards granted thereunder by resolution of the Board. Any amendments will be subject to the prior consent of any applicable regulatory bodies, including the TSX, as may be required. Any amendment to the PRSU Plan will take effect only with respect to Unit Awards granted after the effective date of such amendment, provided that it may apply to any outstanding Unit Awards with the mutual consent of the Corporation and the grantees to whom such Unit Awards have been granted.

Pursuant to the PRSU Plan, the Board will have the power and authority to approve amendments relating to the PRSU Plan or to Unit Awards, without further approval of the Shareholders, including without limitation to the extent that such amendment:

- is for the purpose of curing any ambiguity, error or omission in the plan or to correct or supplement any provision of the PRSU Plan that is inconsistent with any other provision of the PRSU Plan;
- is necessary to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed;
- is an amendment to the PRSU Plan respecting administration and eligibility for participation under the PRSU Plan;
- changes the terms and conditions on which Unit Awards may be or have been granted pursuant to the PRSU Plan including changes to the vesting provisions of the Unit Awards;
- alters, extends or accelerates the terms of vesting applicable to any Unit Awards;
- is an amendment to the PRSU Plan of a “housekeeping nature”;
- is necessary for Unit Awards to qualify for favourable treatment under applicable tax laws;
- is an amendment to the termination or early termination provisions of the PRSU Plan or any Unit Award, whether or not such Unit Award is held by an Insider, provided such amendment does not entail an extension beyond the original expiry date of such Unit Award; or
- is an amendment necessary to suspend or terminate the PRSU Plan.

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

- an amendment to increase the maximum number of Common Shares issuable under the PRSU Plan, other than pursuant to certain adjustment events described above;
- an amendment that increases the limits previously imposed on non-employee director participation;
- an amendment to the amendment provisions;
- an amendment that would allow for the transfer or assignment of Unit Awards, other than for normal estate settlement purposes;
- an amendment extending the term of a Unit Award beyond the original expiry date, except in the event of a black-out period as described above;

- an amendment to change the class of eligible participants to the PRSU Plan which would have the potential of broadening or increasing participation by Insiders, including any amendment to remove or to exceed the insider participation limits as described above; and
- an amendment required to be approved by security holders under applicable law or the rules, regulations and policies of the TSX.

The amendment provision explicitly requires that Shareholder approval be sought for each of the amendments listed above.

Clawback

Unit Awards are subject to the Clawback Policy described below.

Burn Rate

No Unit Awards were granted under the PRSU Plan during the 2022, 2021 or 2020 fiscal years.

Non-Assignability

All rights to receive Common Shares, or cash equivalents, pursuant to a Unit Award granted to a Service Provider may only be exercised by such Service Provider personally (except in the event of the death of the grantee of a Unit Award, in which case, Common Shares or cash may be delivered to the grantee's estate or designated beneficiary).

Clawback Policy

On May 11, 2020, the Corporation adopted a clawback policy (the "**Clawback Policy**") pursuant to which directors, named executive officers and other senior members of management ("**Affected Individuals**") may be required to reimburse the Corporation for incentive compensation (being Options, Unit Awards, bonuses and such other incentive compensation as may be approved from time to time) received by an Affected Individual in excess of the incentive compensation ("**Excess Incentive Compensation**") that he or she would have otherwise received absent erroneous financial results or performance criteria which resulted from his or her gross negligence, fraud, theft or willful misconduct. Such a clawback may apply with or without a restatement of financial results.

The Board has the authorization to determine in its discretion, with consideration of the best interests of the Corporation, whether and through which methods it will take action to recoup any Excess Incentive Compensation. The Board is also authorized, acting reasonably and in good faith, to make a determination whether an Affected Individual has committed gross negligence, fraud, theft or willful misconduct, if no admission of such behavior is made. Such a determination is to be made following an internal investigation with the assistance of qualified, third-party financial and legal advisors.

When recovering Excess Incentive Compensation, the Board is authorized to pursue all legal and other remedies available to it. The effect of any third-party fines, penalties or damages imposed on the Affected Individual in respect of the gross negligence, fraud, theft or willful misconduct leading to the Excess Incentive Compensation will be considered by the Board, and if the Board determines it to be appropriate, credit may be given to the Affected Individual for such amounts when the Board determines the amount of the Excess Incentive Compensation to be repaid to the Corporation.

The Board believes the Clawback Policy will promote and maintain a culture of focused, diligent and responsible management and will discourage conduct detrimental to the growth of the Corporation.

SHARE OWNERSHIP GUIDELINES

The Corporation has adopted the Share Ownership Guidelines for each director, the CEO, the CFO and each Vice President who is an officer of the Corporation to further align the interests of directors and executive officers with those of the Shareholders. Directors and executive officers are required to hold a number of Common Shares, DSUs, RSUs or PSUs equivalent to the value set out below:

Position	Value of Common Shares or Unit Awards to be held
Director	3 times Annual Base Retainer
CEO	3 times annual base salary
CFO	2 times annual base salary
Vice President	1 times annual base salary

For the purposes of the Share Ownership Guidelines, “Annual Base Retainer” means a director’s annual base retainer, including any additional annual retainer for serving as the Chairman of the Board but excluding additional committee chair retainers.

Each director and executive officer must hold the relevant number of Common Shares, DSUs, vested or unvested RSUs and/or vested or unvested PSUs within five years of being appointed or elected to the Board or being hired or promoted as an executive officer, as the case may be. In the case of executive officers, PSUs are expected to be the largest component of executives’ long-term incentive awards in the future. Accordingly, for the purposes of calculating the Share Ownership Guidelines ownership requirement, unvested PSUs will be valued assuming 50% vesting at target performance.

If at any time, a director’s Annual Base Retainer or an executive officer’s base salary is increased such that he or she no longer satisfies the ownership requirement, such director or executive officer is expected to satisfy the adjusted ownership requirement within three years of the date such increase takes effect.

Once a director or executive officer satisfies the applicable ownership requirement, he or she is considered to have satisfied the ownership requirement irrespective of any future share price changes. The Corporation intends to determine whether a director or executive officer satisfies the applicable ownership requirement annually on the date of the information circular for its annual shareholders meetings, or such other date as the Board may determine.

Directors are required to receive at least 50% of their Annual Base Retainer in DSUs until their applicable ownership requirement is met, and thereafter they are required to receive at least 25% of their Annual Base Retainer in DSUs.

Executive officers are required to apply 30% of the after-tax value of any cash bonus amounts received by them to purchase Common Shares on the open market and retain at least 30% of the Common Shares received following the exercises of Options or the settlement of PSUs or RSUs after satisfying any applicable exercise price and withholding taxes, until their applicable ownership requirement is met.

As of the date hereof, each director and executive officer was in compliance with the Share Ownership Guidelines. Messrs. Marchant, McFarland, Royal and Hiscock have achieved the respective share ownership thresholds while Dr. Guest, Mr. Chapman and Ms. Wood are all still within the five-year grace periods from their respective dates of appointment or compensation increase (in the case of Dr. Guest) to satisfy the share ownership thresholds but have yet to achieve those amounts.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options, the weighted average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under equity compensation plans as at December 31, 2022.

Equity Compensation Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants or rights	Weighted-average exercise price of outstanding options, warrants or rights	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	7,981,666	\$0.73	733,183 ⁽¹⁾
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A
Total	7,981,666	-	733,183

Note:

(1) Based on the figure that is 10% of the issued and outstanding Common Shares that are available for issuance under the Option Plan or PRSU Plan as at December 31, 2022. As at December 31, 2022, there were 87,148,489 Common Shares issued and outstanding.

CORPORATE GOVERNANCE

The Corporation's Statement of Corporate Governance Practices is set out in Appendix "A" to this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, which is available on SEDAR at www.sedar.com, neither the Corporation nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2022, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is contained in the Corporation's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2022 and information with respect to the business of the Corporation is contained in the Corporation's annual information for the year ended December 31, 2022. In addition, a Shareholder may obtain copies of the Corporation's financial statements and management's discussion and analysis by contacting the Corporation at Suite 1200, 202 - 6th Avenue S.W., Calgary, Alberta, T2P 2R9, by telephone at (403) 237-7102.

APPENDIX “A”

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

(See Attached)

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Capitalized terms used in this Appendix “A” but not otherwise defined herein shall have the meanings ascribed thereto in the Information Circular to which this Appendix “A” is appended.

The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of the Shareholders but that it also promotes effective decision making at the Board level. The Board is of the view that its approach to corporate governance is appropriate and continues to work to align with the recommendations currently in effect and contained in National Policy 58-201 - *Corporate Governance Guidelines* (“**NP 58-201**”), which are addressed below. In 2023, the Board undertook a review and assessment of the effectiveness of its corporate governance policies to acknowledge the growing importance of health, safety, sustainability and risk management matters to the Corporation. The Board revised its corporate governance practices to reflect the results of this review and assessment.

Mandate of the Board

The Board has responsibility for the stewardship of the Corporation. The Board has adopted a formal written mandate which is set out as Appendix “B” to this Information Circular. In carrying out this mandate, the Board meets regularly and a broad range of matters are discussed and reviewed for approval. These matters include overall corporate plans and strategies, budgets, internal controls and management information systems, compliance reporting, corporate communications, risk management as well as interim and annual financial and operating results. The Board is also responsible for the approval of all major transactions, including equity issuances, acquisitions and dispositions, as well as the Corporation’s debt and borrowing policies and managing conflicts of interest. The Board strives to ensure that actions taken by management correspond closely with the objectives of the Board and Shareholders.

Composition of the Board

Independence

The Board currently consists of seven directors who provide the Corporation with a wide diversity of business experience. Additional information for each of the nominee directors can be found under the heading “Meeting Matters - Election of Directors”. None of the directors are “Related” as such term is defined by the Canadian Coalition for Good Governance. Six of the current Board members (representing 71% of the Board), being Messrs. Marchant, McFarland, Royal, Hiscock and Chapman and Ms. Wood are independent directors as such term is defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). Dr. Guest, as the CEO and President, is not an independent director as that term is defined in NI 58-101. Each of the independent directors has no direct or indirect material relationship with the Corporation, including any business or other relationship, which could reasonably be expected to interfere with the director’s ability to act with a view to the best interests of the Corporation or which could reasonably be expected to interfere with the exercise of the director’s independent judgment. Mr. McFarland is now independent as, during the last three years, he has not earned more than \$75,000 in direct compensation in his capacity as a consultant from Valeura during any 12-month period.

The table below shows the Board and committee membership as of the date hereof following the realignment of the committee structure to establish separate Health, Safety and Sustainability and Reserves Committees, thereby increasing the number of committees to four. Subject to such directors being re-elected at the Meeting, the committee membership will remain as follows:

	Year Appointed	Committees			
		Audit	Governance, Nominating and Compensation	Reserves	Health, Safety and Sustainability
Independent Board Members					
Dr. Timothy R. Marchant (Chair)	2015		Member	Member	Chair
Ronald W. Royal	2010	Member		Chair	
Russell J. Hiscock	2018	Chair	Member		
Kimberley K. Wood	2019	Member	Chair		Member
Timothy N. Chapman	2020	Member		Member	Member
James D. McFarland	2010		Member	Member	Member
Not Independent					
Dr. W. Sean Guest (Management)	2018				

Director Term Limits and Other Mechanics of Board Renewal

The Board does not currently have any term limits or an age-based retirement policy for directors, as the Board takes the view that term limits and age-based retirement policies are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service or age. The Board’s priorities continue to be ensuring the appropriate skill sets are present amongst the Board to optimize the benefit to the Corporation. The Board conducts annual evaluations of the individual directors, the committees of the Board and the Board Chair, which are overseen by the Governance, Nominating and Compensation Committee, to ensure these objectives are met. The Governance, Nominating and Compensation Committee regularly updates its director skills matrix and Board assessment process to ensure the Board has a robust evaluation and renewal process. The Board is targeting to bolster its skill set and to advance its Diversity Policy objectives with the appointment of a director with extensive business, community affairs and government relations experience in Southeast Asia. See “Board Assessments”.

Other Directorships

The following directors currently serve on the board of directors of the reporting issuers (or equivalent) listed below, each of which are reporting issuers in one or more Canadian (or foreign) jurisdictions.

Name	Name of other Reporting Issuer	Exchange	Committee Appointments
James D. McFarland	MEG Energy Corp.	TSX	Health, Safety and Environment and Reserves Human Capital and Compensation Governance and Nominating
Dr. Timothy R. Marchant	Vermilion Energy Inc.	TSX, NYSE	Health, Safety and Environment Reserves Sustainability

Name	Name of other Reporting Issuer	Exchange	Committee Appointments
	VAALCO Energy, Inc.	NYSE, LSE	Environmental, Social and Governance
Ronald W. Royal	Gran Tierra Energy Inc.	TSX, NYSE, LSE	Audit Health, Safety and Environment Reserves
Russell J. Hiscock	None		
Dr. W. Sean Guest	None		
Kimberley K. Wood	Africa Oil Corp.	TSX, Nasdaq OMX (Stockholm)	Compensation Corporate Governance and Nominating ESGHSC
	Gulf Keystone Petroleum Ltd.	LSE	Audit and Risk Remuneration Safety and Sustainability
	Energiean PLC	LSE, TASE	Audit and Risk Remuneration and Talent Nomination and Governance
Timothy N. Chapman	None		

Directors Serving Together

There are presently no common memberships on boards of public companies among current directors.

Board Meetings

The Board holds a minimum of four regular quarterly meetings and a corporate strategy session each year, as well as additional meetings as required. An *in-camera* session of the directors is held at each regularly scheduled Board and committee meeting so that the independent members of the Board have an opportunity to meet without the presence of management members of the Board.

Meeting Attendance

Name	Board Meetings Attended in 2022 ⁽¹⁾		Committee Meetings Attended in 2022 ⁽²⁾	
	No.	%	No.	%
Dr. Timothy R. Marchant	12 of 12	100%	8 of 8	100%
James D. McFarland	12 of 12	100%	4 of 4	100%
Ronald W. Royal	12 of 12	100%	9 of 9	100%
Russell J. Hiscock	10 of 12	83%	8 of 9	89%
Dr. W. Sean Guest ⁽³⁾	12 of 12	100%	13 of 13	100%
Kimberley K. Wood	11 of 12	92%	9 of 9	100%
Timothy Chapman	12 of 12	100%	9 of 9	100%

Notes:

- (1) Meeting attendance on special and/or other ad hoc committees of directors which may be formed, from time to time, to make recommendations to the Board in regard to a particular matter is not included.
- (2) Some directors are invited to attend committee meetings (of which they are not members) on a voluntary basis. Attendance at such meetings is not reflected in the committee meeting attendance total for 2022 with the exception of Dr. Guest's committee meeting attendance record (see note 3).
- (3) Dr. Guest was not a member of any of the three standing committees but was requested by the chair of each committee to attend the meetings of each such committee during the financial year ended December 31, 2022. At each meeting attended by Dr. Guest the members of each committee meet *in camera* without Dr. Guest.

Orientation and Continuing Education

New directors are provided with an orientation and education program which includes written information about the duties and obligations of directors and the business and operations of the Corporation included in a comprehensive Board manual. New directors are also provided with the opportunity to review documents from recent Board meetings and to participate in meetings and discussions with senior management and other directors. Orientation programs are tailored to meet a director's individual needs and areas of expertise.

Continuing education opportunities are directed at enabling individual directors to maintain or enhance their skills and abilities as directors, as well as ensuring that their knowledge and understanding of the Corporation's affairs remains current. Directors are kept informed as to matters which may impact the Corporation's operations through regular reports and presentations at Board and committee meetings. Non-management directors are encouraged to, and often, attend committee meetings of which they are not members.

Ethical Business Conduct

The Board has adopted a Code of Business Conduct and Ethics (the "**Code**"), which applies to all directors, officers, employees and contractors of the Corporation. The Code includes the Anti-Corruption Policy Relating to Foreign Public Officials (the "**Anti-Corruption Policy**"), and the Audit Committee has oversight over such policy, with further reporting to and supervision by the Board as appropriate. The Code and the Anti-Corruption Policy are amended from time to time to ensure they satisfy good governance standards, changes in applicable legal requirements in relevant jurisdictions and are consistent with the ethical goals and guidelines discussed herein. A complete copy of the Code is available on SEDAR at www.sedar.com and on the Corporation's website at www.valeuraneergy.com.

The Code demonstrates the Corporation's commitment to conducting business ethically, legally and in a safe and fiscally, environmentally and socially responsible manner. It outlines a framework of guiding principles to which each employee, director, officer and contractor is expected to adhere and acknowledge, and this acknowledgement is an annual requirement.

The Code provides that directors, officers, employees and contractors must, among other things:

- (a) at all times abide by all applicable laws and respect their intent, including laws related to insider trading and reporting, anti-bribery statutes, anti-money laundering laws, and health, safety and environmental laws;
- (b) always act in the best interests of the Corporation;
- (c) avoid situations that may result in a conflict or perceived conflict between their personal interests and those of the Corporation;

- (d) provide full disclosure of any actual or potential conflicts of interest in accordance with the procedures of the Code;
- (e) maintain the confidentiality of all non-public information relating to the Corporation;
- (f) not use the Corporation's property for personal benefit;
- (g) maintain proper records and ensure compliance with internal controls and financial reporting and accounting standards;
- (h) conduct operations with (i) the aim of preventing adverse effects on the environment and local communities and safeguarding life and health, and (ii) in accordance with the UN Global Compact concerning human rights, labour, environment and anti-corruption; and
- (i) adhere to the Corporation's commitment to promote the human rights set forth in the United Nations Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

The Board monitors compliance with the Code and reviews it on at least an annual basis to determine whether updates are appropriate. Where a director or officer has any interest in or a perceived conflict involving a contract or business relationship with the Corporation, that director or officer is excluded from all discussions and deliberations regarding the contract or relationship and such director abstains from voting in respect thereof. Directors and executive officers have disclosed to the Corporation all directorships held by such member and the existence and nature of any interests that could result in a conflict situation with the Corporation.

The Board has also adopted a Whistleblower Policy (the “**Whistleblower Policy**”) relating to the reporting of inappropriate activity to encourage and promote a culture of ethical business conduct. The Whistleblower Policy is intended to encourage and facilitate the reporting of:

- (a) questionable accounting, internal accounting controls, or auditing matters;
- (b) the reporting of fraudulent financial information to Shareholders, regulatory agencies or financial markets; and
- (c) conduct which results in a violation of law by the Corporation or in substantial mismanagement of the Corporation's resources that, if proven, would constitute a criminal offence or reasonable grounds for dismissal of the person engaging in this conduct, without the fear of recrimination, retaliation or harassment.

Risk Oversight

One of the major responsibilities of the Board is to oversee the identification of the principal risks affecting the Corporation's business and ensure there are systems in place to effectively identify, monitor and manage them. The Board has approved an Enterprise Risk Management Policy and Framework (the “**Risk Management Framework**”) to identify, prioritize, focus and mitigate risks impacting the Corporation. Under the Risk Management Framework, management and the Board have developed a detailed risk register (the “**Risk Register**”) describing the key areas of risk, the probability of certain events and the systems and controls in place to mitigate those risks. Each of the committees of the Board is responsible for the review and evaluation of the principal risks faced by the Corporation covered under their respective

mandates and presenting their evaluation and recommendations in respect of such risks to the Board. The Board works with the Audit Committee to review insurance coverage in place for insurable risks.

The Board is responsible for oversight of the Risk Management Framework and the Risk Register, though management is responsible for specific risk identification. Management, through the Corporation's risk manager, reports to the Board quarterly on the identification of new, emerging or increased risks and the status of risk mitigation strategies. Risks are identified in accordance with the following risk categories, though new categories may be added as necessary:

- Strategic;
- Joint Venture;
- Operations;
- Finance;
- Legal;
- ESG;
- Human Resources;
- Information Technology; and
- Country.

From this process, risks are assessed and evaluated based on the Corporation's vulnerability to the risk and the potential impact that the underlying risks would have on the Corporation's ability to execute its strategies and achieve its objectives. In order to identify and address any material risks, the Board undertakes an annual assessment of the Risk Management Framework and Risk Register, in addition to receiving quarterly reports on new, emerging or increased risks. In 2022, Valeura completed director interviews, which among other matters, allowed the directors to discuss various risks and the Corporation's risk management practices. In 2023, Valeura reviewed and revised the Board's and committees' terms of reference to reflect their respective risk management responsibilities and to ensure the proper emphasis on risk identification and management at both the Board and committee level.

Nomination of Directors

The Governance, Nominating and Compensation Committee has the responsibility for reviewing the composition of the Board by taking into account, among other things, its size and the particular competencies and skills of its members, its alignment with the Diversity Policy (as defined below), as well as any perceived gaps in the Board's collective skill set. The Governance, Nominating and Compensation Committee, in consultation with the Board Chair and CEO, will then identify potential Board nominees and recommend such nominees for election as directors based on the competencies and skills each new member possesses in the context of the needs of the Corporation. The Board as a whole is then responsible for nominating new directors.

The Corporation recognizes that diversity is an economic driver of competitiveness for companies and it strives to promote an environment and culture conducive to the appointment of well qualified persons with diverse backgrounds so that there is appropriate diversity to maximize the achievement of corporate goals. In March 2018, the Corporation adopted a written diversity policy relating to the identification and nomination of diverse candidates for directors, executive officers and senior management appointments and promoting the consideration of criteria that promotes diversity including gender, age, ethnicity and geographic and indigenous background (the "**Diversity Policy**"). The Diversity Policy includes the gender of a potential candidate as one component in the overall list of factors the Governance, Nominating and Compensation Committee considers when selecting candidates for executive officer and senior manager appointments, and membership on the Board and its Board committees. While the Board has not yet decided

to adopt targets for women or other diverse groups at this time, it continues to monitor diversity within the organization and may adopt targets in the future. As part of its annual Board evaluation process, the Corporation's progress toward achieving the objectives of the Diversity Policy are reviewed and recommendations are made regarding the Diversity Policy and the manner in which it is being implemented. Currently, 14% of the Board members are women. Following the completion of the Kris Energy Acquisition and the Mubadala Acquisition in 2023, the Board intends to add one or more directors and will be focused on improving the skill set and diversity of the Board.

Board Assessments

The Board is responsible for ensuring that there is a process in place for annually evaluating the effectiveness and contribution of the CEO, the Board, the committees of the Board, the Board Chair and the individual directors based on their applicable terms of reference or position description.

The objective of the assessments is to ensure the continued effectiveness of the Board in the execution of its responsibilities and to contribute to a process of continuing improvement and Board renewal as appropriate from time to time. In addition to any other matters the Board deems relevant, the assessments may consider in the case of the Board or a committee, the applicable terms of reference, the applicable position descriptions, as well as the competencies and skills each individual director is expected to bring to the Board.

The Governance, Nominating and Compensation Committee annually reviews and makes recommendations to the Board on the method and content of such evaluations and oversees the evaluation and Board renewal process, and the committee regularly updates its evaluation materials and process. The Governance, Nominating and Compensation Committee has developed an annual Board effectiveness survey which includes tailored questions and, periodically, an individual director self-evaluation questionnaire and an evaluation of peer performance. The evaluation uses confidential director questionnaires and anonymous summaries of results, which encourage candid and constructive commentary. Confidentiality of individual director comments is maintained. Every other year, the Chairman of the Board conducts individual interviews with each director to discuss the results and determine ways in which to enhance Board performance. The Chairman of the Board last conducted these interviews in 2021 and in 2023.

Areas of Expertise

Valeura maintains a skills matrix to evaluate the skill set of the Board. The intent is to ensure the Board as a whole has the range of skills, expertise and experience to fulfill the overall mandate effectively. Each director indicates his level of expertise in each area annually on a four-point scale from limited (one) to expert application (four). The directors are also asked to identify if they perceive any gaps or deficiencies in desired skill sets. The matrix helps the Corporation identify gaps and is used to search for new directors or have outside advisors provide expertise to the Board.

The Governance, Nominating and Compensation Committee recently reviewed the completed skills matrix and evaluations and noted that the Board, as a whole, rated its overall aggregate score for most of the categories between the skilled and expert level, with no gaps identified in any of the desired skill areas other than in Technology/Cyber Security and Diversity where the Board ranked between limited and basic working application. With respect to Technology/Cyber Security the Board intends to continue to supplement those skills with expert advisors. The Board will continue to enhance its skill sets in evolving areas and participate in Board education sessions, as well as focus on enhancing the diversity of the board. The Governance, Nominating and Compensation Committee is therefore satisfied that the Board has the

appropriate experience and expertise at this time to ensure that each of these areas is well-addressed and the Board is performing well.

Skill/Experience Description
CEO/Senior Officer – Experience working as a CEO or senior officer for an organization of a size similar to or larger than the Corporation.
Oil and Gas Experience – A deep understanding of the oil and gas industry and business environment generally, including industry trends and the Corporation’s peer group. Senior executive experience in the oil and gas industry, which may include formal training in technical disciplines and experience in conventional and unconventional production.
Managing/Leading Growth – Senior executive experience leading significant growth and value creation through various strategies. Demonstrates knowledge in developing long-term corporate business strategies.
Global/Government Relations/International Risks – Experience leading an international operation and implementing good governance practices when operating internationally. Has a solid understanding of the cultural and industry environments in the region(s) where the Corporation operates. Has regulatory, political and public policy experience in international environments similar to the region(s) in which the Corporation operates. Understands international business risks such as corruption, sanctions and political risk.
Governance/Board – Prior or current experience as a board member of a Canadian or international company (public, private or non-profit sectors) and experience with the regulatory and legal requirements and good governance practices for companies with operations in remote jurisdictions.
Financial Acumen – Senior executive experience in financial accounting and reporting and corporate finance. Familiarity with internal financial controls and knowledge of and ability to evaluate budgets and financing plans in multi-jurisdictional companies.
Health, Safety, Security and Environment – Thorough understanding of industry regulations and public policy related to workplace health, safety, security, the environment and climate change issues. Demonstrated commitment to the Corporation’s HSSE values and knowledge of current programs.
ESG – Demonstrated understanding and commitment to the Corporation’s environmental, social and governance efforts, including an understanding of community and stakeholder relations and engagement in companies with international operations, legal and regulatory developments, sustainability efforts, decarbonization and climate action, climate risks and disclosure, diversity, investor expectations and ESG ratings and industry trends related to this area.
M&A/Deal Making/Investment Banking – Experience in mergers and acquisitions, investment banking, financial advisory or legal roles, financings and strategic reviews. Strong relationships with financial advisors, investor communities and legal community.
Compensation – Senior executive experience or board compensation committee participation with a thorough understanding of compensation, benefits and long-term incentive programs, regulatory regimes and executive agreements.
Investor and Public Relations – Demonstrated understanding and experience managing communication with investor communities and the public, including social media. Understanding of disclosure rules, investor expectations and trends.
Technology/Digital Business/Cybersecurity – Understands how technology and digital business are evolving and can be used effectively by the Corporation. Has experience in managing or overseeing technology, data protection and cyber risk, including implementing security measures, policies and controls to protect and secure data and the integrity of information technology systems.
Diversity – Contributes to the Board in a way that enhances perspectives through diversity in gender, ethnic background, geographic origin, experience (different industry sectors and public, private and non-profit sectors), generation, etc.
Company-Specific Knowledge – Generally knowledgeable about the Corporation’s operations, strategy, commodity markets, challenges, opportunities and risk management. Established knowledge of the Corporation’s senior management team and senior employees.

Board Committees

In 2023, the Board undertook a review and assessment of the effectiveness and contributions of the Board committees. Driven by the changing needs of the Corporation, it was determined that, effective May 10, 2023, the Board committees would be expanded from three to four, in acknowledgement of the significantly expanded operations of the Corporation and the heightened importance of health, safety, sustainability and risk management matters. The Board now has four standing committees, being the Audit Committee, the Governance, Nominating and Compensation Committee, the Reserves Committee and the Health, Safety and Sustainability Committee. Below is a description of the committees and their current membership.

Audit Committee

The Audit Committee operates under written Terms of Reference that set out its responsibilities and composition requirements. A copy of the Terms of Reference for the Audit Committee is available on the Corporation's website at www.valeuraenergy.com.

The Audit Committee is now comprised of, and subject to their re-election at the Meeting, will continue to be comprised of Russell Hiscock (Chair), Timothy Chapman, Ronald Royal and Kimberley Wood following the Meeting. All proposed members are independent directors that the Board has determined are "financially literate" as defined in National Instrument 52-110 - *Audit Committees*.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing: (i) the financial information that will be provided to Shareholders and others; (ii) the systems of internal controls management and the Board have established; and (iii) all audit processes; and (iv) the effectiveness of the Corporation's financial risk management and compliance practices, including commodity price risks, credit risks and information technology, cybersecurity and data security risks. The Audit Committee is responsible for reviewing and evaluating the Corporation's insurable risks in collaboration with the Board.

The Audit Committee has the authority to communicate with the external auditors as it deems appropriate to consider any matter that the Audit Committee or auditors determine should be brought to the attention of the Board or Shareholders. The Audit Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors.

The Audit Committee holds *in-camera* meetings, without management present, at every regularly scheduled meeting of the Audit Committee and meets *in-camera* with the Corporation's external auditors. The Audit Committee meets at least four times annually.

Governance, Nominating and Compensation Committee

The Governance, Nominating and Compensation Committee operates under written Terms of Reference that set out its responsibilities and composition requirements. A copy of the Terms of Reference for the Governance, Nominating and Compensation Committee is available on the Corporation's website at www.valeuraenergy.com.

The Governance, Nominating and Compensation Committee is now comprised of, and subject to their re-election at the Meeting, will continue to be comprised of Kimberley Wood (Chair), Russell Hiscock, Timothy Marchant and James McFarland following the Meeting. All proposed members are independent directors.

The key responsibilities of the Governance, Nominating and Compensation Committee include:

- reviewing the Board manual periodically including the terms of reference for the Board, the Board Chair, the CEO, individual directors and Board committees;
- reviewing the corporate governance practices of the Corporation and, if appropriate, recommending changes to the Board;
- reviewing, monitoring and making recommendations regarding the orientation and ongoing development of directors;

- reviewing and considering the current and long-term composition of the Board and the Board renewal process, and recommending nominees for election as members of the Board;
- reviewing management resources and succession plans to ensure that qualified personnel will be available for succession to executive positions;
- overseeing the Code and ensuring a system to monitor compliance is in place;
- overseeing and monitoring compliance with the Share Ownership Guidelines;
- overseeing and monitoring compliance with other policies of the Board (except where responsibility is expressly provided to another committee);
- reviewing the director compensation program and making recommendations to the Board accordingly;
- reviewing and recommending the compensation philosophy, guidelines and plans for the Corporation's employees and executives, and consider the risk implications of such policies and practices;
- reviewing and recommending corporate goals and objectives for the CEO to be considered in determining his compensation and performance evaluation;
- establishing the Corporation's compensation peer group, performance peer group and corporate performance scorecard;
- implementing evaluations of the CEO, the Board, the Board Chair, Board committees and individual directors, and overseeing the Board renewal process;
- reviewing and recommending corporate goals and objectives for the CEO to be considered in determining his compensation and performance evaluation;
- in consultation with the CEO, reviewing the compensation principles for base salaries, bonuses, long-term incentives and benefit plans and approve the compensation for the executive team (including the CEO); and
- reviewing and endorsing any major changes in the organization structure of management proposed by the CEO.

The Governance, Nominating and Compensation Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors. The Corporation retained the Compensation Consultants in 2022. The Compensation Consultants' role included, but was not limited to: (i) advising the Governance, Nominating and Compensation Committee on emerging trends and developments in compensation; (ii) advice and recommendations regarding the compensation peer group; and (iii) reviewing and advising on the overall compensation blueprint including overall strategy, target positioning, proxy comparators, survey comparators, performance metrics, pay element design and compensation levels under the various components of the Corporation's compensation plan.

The table below shows the fees paid to the Corporation's compensation consultants over the last two years:

Services Performed	Fees paid in 2022	Fees paid in 2021 ⁽¹⁾
Executive compensation-related fees	68,039	Nil
All other fees	12,579	Nil
TOTAL:	80,618	Nil

Note:

(1) The Corporation did not engage a compensation consultant in 2021.

The Governance, Nominating and Compensation Committee holds *in-camera* meetings, without management present, at every regularly scheduled meeting of the Governance, Nominating and Compensation Committee and meets *in-camera* with the Corporation's independent compensation consultant. The Governance, Nominating and Compensation Committee meets at least two times annually.

The Governance, Nominating and Compensation Committee considers diversity and the requirements of the Diversity Policy when selecting candidates for executive officer and senior manager appointments, and membership on the Board and its committees. Ms. Kimberley K. Wood was appointed to the Board on March 26, 2019 and serves as a member of the Audit Committee and the Governance, Nominating and Compensation Committee. While the Board has not yet decided to adopt targets for women or other diverse groups, it continues to monitor diversity within the organization and may adopt targets in the future. Ms. Stimpson, a partner of Torys LLP, served as Corporate Secretary of the Corporation since the incorporation of Northern Hunter Energy Inc. in 2006 until February 1, 2023. She continues to be present at all Board and committee meetings. Mr. Kelvin Tang, a resident of Singapore, has taken over the role of Corporate Secretary.

Reserves Committee

The Reserves Committee operates under written Terms of Reference that set out its responsibilities and composition requirements. A copy of the Terms of Reference for the Reserves Committee is available on the Corporation's website at www.valeuraenergy.com.

The Reserves Committee is now comprised of, and subject to their re-election at the Meeting, will continue to be comprised of Ronald Royal (Chair), Timothy Chapman, James McFarland and Timothy Marchant following the Meeting. All proposed members are independent directors.

The key responsibilities of the Reserves Committee include:

- reviewing the selection and qualifications of the independent engineering firm(s) responsible for the estimate of reserve and resource quantities, the scope of its work and ensuring consistency of its practices and standards and all matters related to the independent engineering firm(s);
- reviewing with the independent engineering firm the evaluation report and corporate summary of the reserves and future cash flows of the Corporation's oil and gas properties;
- reviewing the Corporation's externally disclosed oil and gas reserve and resource estimates;
- reviewing management's assessment of the principal technical and reserves risks to the Corporation; and

- assisting the Board in respect of matters related to evaluations of petroleum and natural gas reserves and resources.

The Reserves Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors.

The Reserves Committee holds *in-camera* meetings, without management present, at every regularly scheduled meeting of the Reserves Committee and meets *in-camera* with the Corporation's independent engineering firm(s). The Reserves Committee meets at least two times annually.

Health, Safety and Sustainability Committee

The Health, Safety and Sustainability Committee operates under written Terms of Reference that set out its responsibilities and composition requirements. A copy of the Terms of Reference for the Health, Safety and Sustainability Committee is available on the Corporation's website at www.valeuraenergy.com.

The Health, Safety and Sustainability Committee is now comprised of, and subject to their re-election at the Meeting, will continue to be comprised of Timothy Marchant (Chair), Kimberley Wood, James McFarland and Timothy Chapman following the Meeting. All current members are independent directors.

The key responsibilities of the Health, Safety and Sustainability Committee include:

- developing and monitor the Corporation's strategic plans and initiatives related to health, safety, security, environment, climate action and emissions reduction, water usage and protection, biodiversity protection, energy transition, community relations, government relations, human rights and workforce protection among other relevant sustainability topics ("**Health, Safety and Sustainability**"), including materiality mapping and assessments and determination of short term, mid-term and long-term priorities, objectives, commitments and related key performance indicators;
- reviewing procedures designed to identify, evaluate and prioritize Health, Safety and Sustainability related risks to the Corporation, advising the Board of any significant risks;
- reviewing corporate Health, Safety and Sustainability activities and performance;
- reviewing the Corporation's methods of communicating regarding Health, Safety and Sustainability values and its Health, Safety and Sustainability policies and procedures; and
- reviewing management's assessment and advising the Board of the principal Health, Safety and Sustainability risks and opportunities to the Corporation.

The Health, Safety and Sustainability Committee has the authority to engage independent counsel and other advisors as it determines necessary to carry out its duties and to determine the compensation of such advisors.

The Health, Safety and Sustainability Committee holds *in-camera* meetings, without management present, at every regularly scheduled meeting of the Health, Safety and Sustainability Committee. The Health, Safety and Sustainability Committee meets at least two times annually.

Position Descriptions

The Board has developed written position descriptions which identify the responsibilities of the Board chair, the CEO and President, each committee of the Board and each Director.

APPENDIX "B"

TERMS OF REFERENCE OF THE BOARD

(See Attached)

1. INTRODUCTION

- (a) The board of directors (the “**Board**”) of Valeura Energy Inc. (the “**Corporation**”)¹ primary responsibility is to foster the long-term success of the Corporation consistent with the Board’s responsibility to act in the best interests of the Corporation taking into account the interests of shareholders and other stakeholders.
- (b) The Board has plenary power. Any responsibility not delegated to management or a committee of the Board remains with the Board.
- (c) These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

2. COMPOSITION AND BOARD ORGANIZATION

- (a) Nominees for directors are initially considered and recommended by the Governance, Nominating and Compensation Committee of the Board, approved by the entire Board and elected annually by the shareholders of the Corporation.
- (b) At least two-thirds of directors comprising the Board must qualify as independent directors. Any future expansion of the Board will be targeted to maintain two-thirds of the directors as independent.
- (c) Certain of the responsibilities of the Board referred to herein may be delegated to committees of the Board. The responsibilities of those committees will be as set forth in their terms of reference, as amended from time to time.

3. DUTIES AND RESPONSIBILITIES

(a) **Managing the Affairs of the Board**

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The legal obligations of the Board are described in detail in Section IV. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

- (i) planning its composition and size;
- (ii) selecting and setting the terms of reference for the Board Chair;
- (iii) nominating candidates for election to the Board;
- (iv) appointing committees;

¹ Reference to the Corporation’s operations and employees and matters related thereto shall include the Corporation’s subsidiaries, as applicable.

- (v) determining director compensation;
- (vi) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities;
- (vii) managing conflicts of interests and ensuring that appropriate processes are in place to manage situations involving conflicts of interest involving management or directors.

(b) **Management and Human Resources**

Taking into account the recommendations of the Governance, Nominating and Compensation Committee, the Board has the responsibility for:

- (i) the appointment and succession of the President and Chief Executive Officer (the “CEO”) and monitoring CEO performance, approving CEO compensation and providing advice and counsel to the CEO in the execution of the CEO’s duties;
- (ii) approving terms of reference for the CEO;
- (iii) in consultation with the CEO, approving annual goals and objectives that the CEO is responsible for meeting;
- (iv) reviewing CEO performance at least annually, against agreed upon written goals and objectives;
- (v) approving decisions relating to senior management, including the:
 - (A) appointment and discharge of officers;
 - (B) compensation and benefits for executive officers;
 - (C) CEO’s or any executive officer’s acceptance of public service commitments or outside directorships; and
 - (D) employment contracts, termination and other special arrangements with executive officers, or other employee groups;
- (vi) ensuring emergency and longer-term succession planning programs are in place, including programs to train and develop management;
- (vii) review the Corporation’s talent management and retention strategies;
- (viii) approving certain matters relating to all employees, including:
 - (A) the annual salary policy/program for employees; and
 - (B) new benefit programs or material changes to existing programs.

(c) **Strategy and Plans**

The Board has the responsibility to:

- (i) participate with management, in the development of, and ultimately approve, the Corporation's strategic plan;
- (ii) approve the annual business plans that enable the Corporation to realize its objectives;
- (iii) approve annual capital and operating budgets which support the Corporation's ability to meet its strategic objectives;
- (iv) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
- (v) approve material divestitures and acquisitions;
- (vi) taking into account the recommendations of the committees of the Board, oversee the Corporation's commitment, approach, targets and objectives, performance, monitoring and disclosure related to sustainability, climate action and environment, social and governance strategies and plans;
- (vii) monitor the Corporation's progress towards its goals, and to revise and alter its direction through management in light of changing circumstances; and
- (viii) oversee the Corporation's plans and strategies for stakeholder engagement and communications.

(d) **Financial and Corporate Issues**

The Board has the responsibility to:

- (i) with consideration to the recommendation of the Audit Committee, nominate an external auditor for approval by shareholders; and if the Board does not adopt the Audit Committee's recommendation for external auditor, ensure this fact is disclosed in the Corporation's annual information form;
- (ii) with consideration to the recommendation of the Audit Committee, approve the compensation of the external auditor; and if the Board does not adopt the Audit Committee's recommendation, ensure this fact is disclosed in the annual information form;
- (iii) take reasonable steps to ensure the implementation and integrity of the Corporation's internal control and management information systems;
- (iv) review operating and financial performance relative to budgets or objectives;
- (v) approve annual and quarterly financial statements and approve release thereof by management;

- (vi) approve the management information circular, annual information form, including the disclosure of reserves and resources, and documents incorporated by reference therein;
- (vii) approve financings, changes in authorized capital, issue and repurchase of units, issue of debt securities, listing of units and other securities, issue of commercial paper, and related prospectuses;
- (viii) submitting to the shareholders of the Corporation, any question or matter requiring shareholder approval;
- (ix) approve the commencement or settlement of litigation that may have a material impact on the Corporation; and
- (x) adopting, amending or repealing the By-laws of the Corporation, subject to shareholder approval.

(e) **Business and Risk Management**

The Board has the responsibility to:

- (i) ensure management identifies the principal technical, operational, strategic, reputational, financial, sustainability, climate and other risks of the Corporation's business and implements appropriate systems to manage these risks;
- (ii) assess which of the principal risks individually or together with other identified risks could have a significant impact on the Corporation if they were to materialize;
- (iii) assess and monitor management control systems, and evaluate and assess information provided by management and others (e.g., internal and external auditors) about the effectiveness of management control systems;
- (iv) review the Corporation's risk management controls and policies, including the Corporation's overall risk profile and philosophy and its Enterprise Risk Management Policy and Enterprise Risk Management Framework;
- (v) oversee the Corporation's Risk Register and review the Corporation's principal risks and management of those risks, including with consideration to the recommendations of each of the committees of the Board with respect to the risks under the scope of their responsibilities; and
- (vi) with consideration to the recommendations of the Audit Committee, approve the Corporation's insurance program.

(f) **Policies and Procedures**

The Board has the responsibility to:

- (i) approve and monitor compliance with all significant policies and procedures by which the Corporation is operated;

- (ii) direct management to ensure the Corporation operates at all times within applicable laws and regulations and to the highest ethical and moral standards;
 - (iii) adopt a written Code of Business Conduct and Ethics;
 - (iv) in collaboration with and considering the recommendations of the Governance, Nominating and Compensation Committee, approve and monitor compliance with the Code of Business Conduct and Ethics, provided that the Board will collaborate with and consider the recommendations of the Audit Committee regarding situations involving financial, audit or other matters under that committee's responsibility;
 - (v) in cases of serious non-compliance or when otherwise warranted, conduct investigations or other disciplinary action; and
 - (vi) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct, conflict of interest and the environment).
- (g) **Compliance Reporting, Corporate Communications and Stakeholder Engagement**

The Board has the responsibility to:

- (i) ensure the Corporation has in place effective and timely communication processes with shareholders, other stakeholders, the public in general and financial, regulatory and other recipients;
- (ii) evaluate the interests of key stakeholders and the Corporation's strategy for engagement with them;
- (iii) approve interaction with shareholders on all items requiring shareholder response or approval;
- (iv) ensure that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (v) ensure the financial results are reported fairly and in accordance with applicable accounting principles and financial reporting standards (including IFRS);
- (vi) oversee the approach to mandatory and voluntary reporting on climate, sustainability, environment, social and governance matters;
- (vii) ensure the timely reporting of any other developments that have a significant and material impact on the value of the Corporation; and
- (viii) report annually to shareholders on the Board's stewardship for the preceding year (through the management information circular or otherwise).

The Board will ensure that there is a clear process to allow stakeholders to communicate directly with the Board when desired.

4. **GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS**

- (a) The Board is responsible for:
 - (i) directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained; and
 - (ii) approving matters requiring shareholder approval, and agendas for shareholder meetings.

- (b) Legal requirements for the Board include:
 - (i) to act honestly and in good faith with a view to the best interests of the Corporation; and
 - (ii) to exercise the care, diligence and skill that reasonably prudent people would exercise in comparable circumstances.