



tamarack valley ENERGY

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

and

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO THE ANNUAL GENERAL AND SPECIAL MEETING

OF SHAREHOLDERS

TO BE HELD ON MAY 10, 2018

April 10, 2018

TAMARACK VALLEY ENERGY LTD.

**Notice of the Annual General and Special Meeting of Shareholders
to be held on May 10, 2018**

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Tamarack Valley Energy Ltd. (the “**Corporation**” or “**Tamarack**”) will be held in the Dining Room of the Bow Valley Club, at 370, 250 – 6th Avenue S.W. Calgary, AB, Canada T2P 3H7, on Thursday, May 10, 2018 at 9:00 a.m. (Calgary time), for the following purposes:

1. to receive the consolidated financial statements of the Corporation and the auditors’ report thereon for the years ended December 31, 2017 and December 31, 2016;
2. to elect the directors of the Corporation for the ensuing year;
3. to appoint auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration as such;
4. to approve an amended stock option plan for the Corporation and the unallocated options thereunder;
5. to approve a new performance and restricted share unit plan for the Corporation; and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) thereof.

Shareholders are referred to the accompanying management information circular of the Corporation dated April 10, 2018 for more detailed information with respect to the matters to be considered at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is at the close of business on April 5, 2018 (the “**Record Date**”). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, provided that, to the extent a Shareholder transfers any of such holder’s Common Shares after the Record Date and the transferee of such Common Shares produces properly endorsed share certificates or otherwise establishes that such holder owns the Common Shares and demands, not later than 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting, or any adjournment thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed form of proxy must be mailed so as to reach or be deposited with Odyssey Trust Company, at 350 – 300 5th Avenue SW, Calgary, Alberta T2P 3C4 Attention: Proxy Department or by fax at (800) 517-4553 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof or may be accepted by the Chairman of the Meeting at his discretion prior to the commencement of the Meeting. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his or her attorney, or if such Shareholder is a corporation, under the corporate seal, and executed by a director, officer or attorney thereof duly authorized. Alternatively, a Shareholder may complete his or her form of proxy online at <http://odysseytrust.com/Transfer-Agent/Login> by following the instructions provided on the form of proxy. In the event of a strike, lockout or other work stoppage involving postal employees, all documents required to be delivered by a Shareholder should be delivered by facsimile to Odyssey Trust Company at (800) 517-4553.

Your vote is important. Whether or not you attend the Meeting, please take the time to vote your Common Shares in accordance with the instructions contained in the applicable instrument of proxy or other voting instruction form provided by your broker or other intermediary.

DATED April 10, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Brian Schmidt”

Brian Schmidt
President and Chief Executive Officer

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TAMARACK VALLEY ENERGY LTD.

MANAGEMENT INFORMATION CIRCULAR

**FOR THE ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS
TO BE HELD ON MAY 10, 2018**

THIS MANAGEMENT INFORMATION CIRCULAR (the “**Information Circular**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF TAMARACK VALLEY ENERGY LTD. (the “**Corporation**” or “**Tamarack**”) for use at the annual general and special meeting of the holders (the “**Shareholders**”) of common shares of the Corporation (the “**Common Shares**”) to be held in the Dining Room of the Bow Valley Club, at 370, 250 – 6th Avenue S.W. Calgary, AB, Canada T2P 3H7, on Thursday, May 10, 2018 at 9:00 a.m. (Calgary time), and any adjournment or adjournments thereof (the “**Meeting**”) for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders. Information contained in this Information Circular is given as at April 10, 2018 unless otherwise stated.

SOLICITATION OF PROXIES

The solicitation is made by management of the Corporation. Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone, email or facsimile and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefor. Arrangements will also be made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of Common Shares pursuant to the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. Tamarack may also retain a solicitation agent to assist in connection with the Corporation’s communications with Shareholders. Other than as described below, the cost of any such solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

Registered Shareholders may vote in person at the Meeting or they may appoint another person or company, who does not have to be a Shareholder, as their proxy to attend and vote in their place. The persons named in the enclosed form of proxy are directors or officers of the Corporation. **A SHAREHOLDER SUBMITTING A PROXY HAS THE RIGHT TO APPOINT A PERSON OR COMPANY TO REPRESENT SUCH SHAREHOLDER AT THE MEETING OTHER THAN THE PERSON OR COMPANY DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION, INCLUDING A PERSON OR COMPANY THAT IS NOT A SHAREHOLDER. TO EXERCISE THIS RIGHT, THE SHAREHOLDER SHOULD INSERT THE NAME OF THE DESIRED REPRESENTATIVE IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.** To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Odyssey Trust Company, at 350 – 300 5th Avenue SW, Calgary, Alberta T2P 3C4 Attention: Proxy Department or by fax at (800) 517-4553 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof or may be accepted by the Chairman of the Meeting at his discretion prior to the commencement of the Meeting. The instrument appointing a proxy shall be in writing under the hand of the Shareholder or his or her attorney, or, if such Shareholder is a corporation, under its corporate seal, and executed by a director, officer or attorney thereof duly authorized. Alternatively, a Shareholder may complete his or her form of proxy online at <http://odysseytrust.com/Transfer-Agent/Login> by following the instructions provided on the form of proxy.

A registered Shareholder who has submitted a proxy may revoke it at any time prior to the exercise of that proxy. In addition to revocation in any other matter permitted by law, a proxy may be revoked by instrument in writing executed by the registered Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or executed by a director, officer or attorney thereof duly authorized, and deposited either at the office of the Corporation’s transfer agent, Odyssey Trust Company, at 350 – 300 5th Avenue SW, Calgary, Alberta T2P 3C4, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory

holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournment thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the proxy is revoked.

EXERCISE OF DISCRETION BY PROXY HOLDERS

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting, in accordance with the instructions of the Shareholder, on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the proxy will be voted in accordance with such specification. **IN THE ABSENCE OF SUCH SPECIFICATION, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF ALL MATTERS SET FORTH IN THIS INFORMATION CIRCULAR.** The enclosed proxy confers discretionary authority upon the person named therein with respect to amendments or variations to matters identified in the notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Shareholders do not hold Common Shares in their own name. Shareholders who do not hold Common Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker or other intermediary, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder’s broker, or an agent of that broker, or another intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or other 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 shares for their clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policies require 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 to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy or voting instruction form supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) 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 Broadridge by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or access the internet to vote the Common Shares held by the Beneficial Shareholder. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing 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.** Shareholders who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such material in order to properly vote their Common Shares at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting their Common Shares, a Beneficial Shareholder may attend at the Meeting as a proxyholder and vote their Common

Shares in that capacity. To do this, a Beneficial Shareholder must enter their own name in the blank space on the form of proxy or voting instruction form provided to them and return the document to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting.

Management does not intend to pay for intermediaries to forward proxy solicitation materials to Beneficial Shareholders who have objected to their intermediary/broker disclosing ownership information about them pursuant to applicable securities laws (“**Objecting Beneficial Shareholders**”). Consequently, an Objecting Beneficial Shareholder will not receive the proxy solicitation materials unless the Objecting Beneficial Shareholder’s intermediary/broker assumes the cost of delivery. Tamarack is not using “notice-and-access” to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. Tamarack will not send proxy-related materials directly to non-objecting Beneficial Shareholders as such materials will be delivered to non-objecting Beneficial Shareholders through their intermediaries.

NOTE ON COMMON SHARE CONSOLIDATION

On July 16, 2012, Tamarack effected a consolidation of the Common Shares on the basis of one (1) post-consolidated Common Share for every twelve (12) pre-consolidated Common Shares. All references to the number of Common Shares and other securities of the Corporation and the prices thereto prior to the consolidation date have been restated to reflect the share consolidation. As a result, restated figures may be slightly greater than or less than their pre-consolidation equivalent due to rounding.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preference shares, issuable in series. As at the date hereof, there are 228,764,381 Common Shares issued and outstanding, each carrying the right to one vote per Common Share at the Meeting. No preferred shares are issued and outstanding.

Record Date

April 5, 2018 is the record date (the “**Record Date**”) for the Meeting. Only registered holders of Common Shares at the close of business on the Record Date are entitled to notice of the Meeting and to vote thereat unless, after the Record Date, a registered holder transfers his or her Common Shares and the transferee, upon producing properly endorsed certificates evidencing such Common Shares or otherwise establishing that he owns such Common Shares, requests not later than 10 days before the Meeting that the transferee’s name be included in the list of Shareholders entitled to vote, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Principal Holders of Common Shares

As at the date of this Information Circular and to the best of the knowledge of the directors and executive officers of the Corporation no person or company beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the voting rights attached to the outstanding Common Shares other than as set out in the table below:

Name and Municipality	Number of Common Shares Owned or Controlled	Percentage of Class
GMT Capital Corp. ⁽¹⁾ <i>Georgia, United States</i>	47,753,400 Common Shares	20.9%

Note:

(1) Based on SEDI insider reports filed by GMT Capital Corp. under Tamarack’s SEDI profile on January 30, 2018.

MATTERS TO BE ACTED UPON AT THE MEETING

The following are the matters to be acted upon at the Meeting:

1. Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the years ended December 31, 2017 and December 31, 2016, together with the auditors' report on those financial statements, were mailed to the Shareholders who have requested such financial statements in accordance with applicable securities laws, and will be placed before the Shareholders at the Meeting. The above financial statements are also available on the Corporation's SEDAR profile at www.sedar.com. No formal action will be taken at the Meeting to approve the financial statements, which have been approved by the board of directors of the Corporation ("**Board**" or "**Board of Directors**"). If any Shareholders have questions respecting such financial statements, the questions may be brought forward at the Meeting.

2. Election of Directors

The Board of Directors has fixed the number of directors of the Corporation for the ensuing year at eight. After consultation with the Board of Directors, the following eight persons are nominated by management of the Corporation and are, in the opinion of management, qualified to direct the activities of the Corporation until the next annual meeting of the Shareholders. All nominees have indicated their willingness to stand for election. Each director elected will hold office until the next annual meeting of the Shareholders or until his or her successor is duly elected or appointed, unless his or her office is vacated earlier in accordance with the Corporation's articles or by-laws. As you will note from the enclosed form of proxy, Shareholders may vote for each proposed director individually as opposed to voting for directors as a slate.

In the absence of a contrary instruction, the person designated by management of the Corporation in the enclosed form of proxy intends to vote in favour of the election as directors of the proposed nominees whose names are set forth below, each of whom has been a director since the date indicated below opposite the proposed nominee's name.

Management does not contemplate that any of the proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, then the Common Shares represented by properly executed proxies given in favour of such nominees may be voted by the person designated by management of the Corporation in the enclosed form of proxy, in his discretion, in favour of another nominee. In addition, the articles of the Corporation currently allow the Board of Directors to appoint one or more additional directors between annual meetings to serve until the next annual meeting, but the number of additional directors shall not at any time exceed one-third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.

The following table sets forth information with respect to each person proposed to be nominated for election as a director, including the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by such person or the person's associates or affiliates as at the date hereof. The information as to Common Shares beneficially owned or over which control or direction is exercised, not being within the knowledge of the Corporation, has been furnished by the respective proposed nominees individually.

<u>Name, Municipality of Residence</u>	<u>Director Since</u>	<u>Present and Principal Occupation, Business or Employment for Previous 5 years</u>	<u>Number of Common Shares Beneficially Owned, Controlled or Directed as at April 10, 2018</u>
Brian Schmidt <i>Alberta, Canada</i>	June 17, 2010	Mr. Schmidt is the President and Chief Executive Officer of the Corporation. He is also currently a member of the Board of Governors of the Canadian Association of Petroleum Producers. He is a director of Aspenleaf Energy Limited, a private company and is an industry advisor to the Indian Oil & Gas Co-Management Board. Prior thereto, he was President, Chief Executive Officer and a director of privately-held Tamarack Valley Energy Ltd., a predecessor entity to the Corporation, from August 2009 to June 2010.	683,392

Name, Municipality of Residence	Director Since	Present and Principal Occupation, Business or Employment for Previous 5 years	Number of Common Shares Beneficially Owned, Controlled or Directed as at April 10, 2018
David R. MacKenzie ⁽¹⁾⁽²⁾ <i>Alberta, Canada</i>	June 17, 2010	Mr. MacKenzie is an independent businessman and long-time President of the privately-held Lincoln Group of Companies, which has been making private equity investments in the oil and gas, technology and real estate industries, since 1990. While leading the Lincoln Group of Companies, Mr. MacKenzie has occasionally served as a director and/or executive officer of certain companies in which the Lincoln Group has invested, including having served as President of Avant Garde Energy Corp. from September 2009 until its acquisition by the Corporation in June 2010. Mr. MacKenzie has also served as a director for various publicly-held companies.	599,534
Floyd Price ⁽³⁾ <i>Texas, United States</i>	June 17, 2010	Mr. Price is an independent businessman and is currently a director of Cimarex Energy Co., a U.S.-based oil and gas exploration and production company listed on the New York Stock Exchange, since December 2012. Mr. Price was previously a director of Gostar Exploration Ltd., a U.S.-based oil and gas exploration and production company listed on the NYSE Amex, from June 2010 to January 2013. Mr. Price was also previously a director of Nemaha Oil and Gas LLC from October 2011 to April 2014, Source Energy LP from June 2010 to October 2015, and La Luna Energy from January 2015 to March 2016, each of which are privately held oil and gas entities based in the United States. La Luna Energy is also based in Colombia.	74,068
Jeffrey Boyce ⁽¹⁾⁽²⁾ <i>Alberta, Canada</i>	October 9, 2013	Mr. Boyce has been President of Evsam Holdings Ltd., a privately held investment company, since October 2013. Mr. Boyce was formerly the Lead Executive director of PetroAmerica Oil Corp. a TSX-V company, from September 2009 until its acquisition by Gran Tierra Energy Inc. in January 2016. Mr. Boyce was formerly a director of ArPetrol Inc., a TSX-V listed oil and natural gas exploration, development and production corporation, from March 2011 until its dissolution in September 2016. Mr. Boyce was also a director of Northern Shield Resources Inc., a Canadian-based mineral exploration company from 2007 to 2014. Prior thereto, Mr. Boyce was Chief Executive Officer and Chairman of the board of directors of Sure Energy Ltd. from August 2006 until its acquisition by the Corporation on October 9, 2013. Mr. Boyce was also President of Sure Energy Ltd. from August 2006 to September 2010.	1,351,719
Noralee Bradley ⁽³⁾⁽⁴⁾ <i>Alberta, Canada</i>	December 17, 2015	Ms. Bradley is a partner at the national law firm of Blake Cassels & Graydon LLP, which she joined in September 2017. Previously she had been with Osler, Hoskin & Harcourt LLP (“Osler”), since January 2006. Her practice is focused on mergers and acquisitions, financings and board governance. Ms. Bradley was a member of the executive committee of the Institute of Corporate Directors, Calgary Chapter from 2010-2016 (serving as Chair in 2015-2016), has served on the Executive (2011-2015) and Compensation (2015) Committees of Osler and was previously a director and Chair of Angle Energy Inc., a TSX listed company, from June 2004 until its acquisition in December 2013. Ms. Bradley served as Corporate Secretary of the Company until December 17, 2015.	174,756
John Leach ⁽¹⁾ <i>Alberta, Canada</i>	January 18, 2017	Mr. Leach is a Chartered Professional Accountant with over 23 years of oil and gas experience. He is currently the Senior Vice President & Chief Financial Officer of Crew Energy Inc., a position he has held since Crew’s spin-out from Baytex Energy Ltd. in 2003. Previously, Mr. Leach was a founding member of Baytex Energy Ltd. since 1993, serving in the finance department in increasing roles of responsibility culminating as its Vice President, Finance from 1998 to 2003. Mr. Leach has been a CPA since 1991 and is a graduate of the University of Saskatchewan.	23,000

Name, Municipality of Residence	Director Since	Present and Principal Occupation, Business or Employment for Previous 5 years	Number of Common Shares Beneficially Owned, Controlled or Directed as at April 10, 2018
Ian Currie ⁽²⁾⁽⁴⁾ <i>Alberta, Canada</i>	March 22, 2017	Mr. Currie is a professional engineer with over 30 years of oil and gas experience. He is currently the President and CEO of Spur Petroleum Ltd., a privately-held oil and gas exploration and production company. Previously he served as President and CEO of Spur Resources Ltd. from 2006 until its acquisition by Tamarack in January, 2017. Prior thereto, he was Vice President, Operations at Profico Energy Management from its inception in 2000 until its acquisition in 2006, and held senior operational roles with Renaissance Energy Ltd. since 1996.	619,003
Robert Spitzer ⁽³⁾⁽⁴⁾ <i>Alberta, Canada</i>	June 22, 2017	Mr. Spitzer is an experienced professional in the upstream oil and gas field with over 34 years of industry tenure. Mr. Spitzer is currently an independent businessman. He was previously the Executive Vice President of Apache Kitimat Upstream from 2013-2015 and the Vice President New Ventures of Apache Canada Ltd., a wholly-owned subsidiary of Apache Corporation, from 2005-2012. Prior thereto, Mr. Spitzer held a variety of exploration- and development-based positions with Apache Canada Ltd. and Shell Canada Ltd. He has a Master of Science in Remote Sensing (Geologic Application) degree and a Bachelor of Science (Honours) in Geology and Geography, both from McMaster University.	32,800

Notes:

- (1) The Board of Directors' audit committee is ("**Audit Committee**") currently comprised of David MacKenzie, Dean Setoguchi, John Leach (Chair) and Jeffrey Boyce. Mr. Setoguchi will not stand for election at the Meeting.
- (2) The Board of Directors' reserves committee ("**Reserves Committee**") is currently comprised of David MacKenzie (Chair), Jeffrey Boyce and Ian Currie.
- (3) The Board of Directors' corporate governance and compensation committee ("**Governance & Compensation Committee**") is currently comprised of Floyd Price (Chair), Noralee Bradley, John Leach and Robert Spitzer.
- (4) The Board of Directors' health, safety and environment committee ("**Health, Safety & Environment Committee**") is currently comprised of Noralee Bradley (Chair), Ian Currie and Robert Spitzer.

Majority Voting Policy

The Board has adopted a majority voting policy requiring that a director tender his or her resignation if more votes are "withheld" from the election of such director than are voted "for" the election of such director at any meeting where Shareholders vote on the uncontested election of directors. The Governance & Compensation Committee will consider any such resignation and make a recommendation to the Board. In the absence of special circumstances, it is expected that the Board will accept the resignation consistent with an orderly transition. The director will not participate in any Governance & Compensation Committee or Board deliberations on the resignation offer. It is anticipated that the Board would make its decision to accept or reject the resignation within 90 days. The Board may fill the vacancy created by such director's resignation in accordance with the Corporation's bylaws and applicable corporate laws.

Cease Trade Orders, Bankruptcies, Penalties and Sanctions

No proposed director (nor any personal holding company of such person) is, as of the date hereof, or has been, within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Tamarack), that was subject to a cease trader order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director (nor any personal holding company of such person) is, as of the date hereof, or has been within ten years before the date hereof, a director or executive officer of any company (including Tamarack) that, while

that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets. In addition, none of the proposed directors (nor any personal holding company of such person) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

No proposed director (nor any personal holding company of such person) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

3. Appointment of Auditors

Management proposes that KPMG LLP, Chartered Professional Accountants be re-appointed as auditors of the Corporation, to hold office until the close of the next annual meeting of Shareholders and at a remuneration to be fixed by the Board of Directors. KPMG LLP, Chartered Professional Accountants, have been auditors of the Corporation since March 7, 2002.

In the absence of contrary directions, the person named in the form of proxy for the Meeting intends to vote FOR the reappointment of KPMG LLP, Chartered Professional Accountants, as the auditors of the Corporation, at a remuneration to be determined by the Board of Directors.

4. Approval of the Amended Option Plan and Unallocated Options Thereunder

On March 6, 2018, the Board of Directors approved certain amendments to the Corporation's stock option plan (the "**Stock Option Plan**") resulting in the amended stock option plan (the "**Amended Option Plan**"). A summary of the material differences between the Amended Option Plan and the Stock Option Plan is set forth below. Additional details about the Amended Option Plan and the Stock Option Plan are provided in this Information Circular under the heading "*Statement of Executive Compensation – Incentive Plans*". The summary information is qualified in its entirety by the full text of the Amended Option Plan, attached hereto as Schedule "D".

- **Non-employee directors.** Only executive officers, employees and consultants would be eligible to receive stock options ("**Options**") under the Amended Option Plan. Under the Stock Option Plan, non-employee directors were also eligible to receive Options.
- **Number of Common Shares.** The Amended Option Plan would reduce the number of Common Shares reserved for issuance from 10% to 7% of the issued and outstanding Common Shares (on a non-diluted basis), including securities issuable under the Corporation's other equity security plans.
- **Insider Participation Limit.** The Amended Option Plan would limit the number of Common Shares that can be reserved for issuance pursuant to Options granted to insiders under the Amended Option Plan and any other security-based compensation arrangement of the Corporation to 7% of the issued and outstanding Common Shares, and would reduce the number of Common Shares that can be issued to insiders under the Amended Option Plan and any other security-based compensation arrangement of the Corporation within a twelve month period from 10% to 7% of the issued and outstanding Common Shares. The Amended Option Plan would also reduce the aggregate number of Common Shares issuable to any one insider in a twelve month period under any security-based compensation agreement from 5% to 3% of the issued and outstanding Common Shares.
- **Retirement.** Under the Amended Option Plan, Options granted to a participant during the calendar year of such participant's retirement would expire but Options granted before such year would continue to vest in accordance with their terms, notwithstanding the retirement of a participant. Under the Stock Option Plan,

in the event that a participant ceased to be a director, officer, employee or consultant of Tamarack, for any reason other than death or permanent disability, including retirement, the participant could, prior to the expiry date of the Options and within 90 days from the date of ceasing to be a director, officer, employee or consultant, exercise any Options which were vested within such period, after which time any outstanding Options would terminate.

- **'Double trigger'**. The change of control provision was amended in the Amended Option Plan to include a 'double trigger', pursuant to which unvested Options would not immediately vest and be exercisable unless a participant's service with the Corporation or any subsidiary has: (i) involuntarily terminated without cause (as defined in the Amended Option Plan); or (ii) voluntarily terminated for good reason (as defined in the Amended Option Plan) within one month prior to or twelve months following the date of the sale by the Corporation of all or substantially all of its assets or a change of control (as defined in the Amended Option Plan). Under the Stock Option Plan, unvested Options would immediately vest and be exercisable in the event of a sale or change of control, as applicable, notwithstanding a participant's continued service to the Corporation.
- **Amendments**. The Amended Option Plan specifically lists the instances where disinterested Shareholder approval is required in connection with amendments to the Amended Option Plan and Options granted thereunder.

The rules of the Toronto Stock Exchange (the "TSX") require that, if a listed issuer has a stock option plan that does not have a fixed maximum number of shares issuable thereunder, such as the Amended Option Plan, securityholders of the issuer must approve and reaffirm the unallocated options under the plan within three years of listing to the TSX and every three years thereafter. The Corporation completed its graduation from the TSX Venture Exchange (the "TSXV") to the TSX on August 24, 2015. As such, the Corporation will not be able to grant Options under the Stock Option Plan after August 24, 2018 unless it has received Shareholder approval.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, pass an ordinary resolution approving both: (i) the Amended Option Plan; and (ii) the issuance of unallocated Options thereunder such that the Corporation's ability to grant Options under the Amended Option Plan will be extended until May 10, 2021, on the following terms (the "**Stock Option Resolution**"):

"BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. the amended stock option plan of the Corporation (the "**Amended Option Plan**"), attached as Schedule "D" to the information circular of the Corporation dated April 10, 2018, is hereby confirmed, ratified and approved;
2. all unallocated stock options issuable pursuant to the Amended Option Plan are hereby approved and authorized;
3. the Corporation has the ability to continue granting options under the Amended Option Plan, as amended, until May 10, 2021, being the date that is three years from the date where shareholder approval is being sought; and
4. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution."

In order for the Stock Option Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting on such resolution.

The Board of Directors recommends that the Shareholders vote in favour of the Stock Option Resolution. To be effective, the Stock Option Resolution must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy at the Meeting on the Stock Option Resolution. In the absence

of a contrary instruction, the person designated by management of the Corporation in the enclosed form of proxy intends to vote in favour of the Stock Option Resolution.

If the necessary Shareholder approval is not obtained at the Meeting, the Corporation will no longer be able to issue Common Shares from treasury upon the exercise of unallocated Options, being those Options which have not been granted as of May 10, 2018. Options granted prior to this date will continue to be unaffected by the approval or disapproval of the Stock Option Resolution; provided, however, that if any such Options are cancelled prior to being exercised, they will not be available for reallocation unless the Stock Option Resolution is approved.

5. Approval of the Performance and Restricted Share Unit Plan

On March 6, 2018, the Board of Directors approved certain amendments to the Corporation's restricted share unit plan (the "**RSU Plan**") resulting in the new performance and restricted share unit plan (the "**PRSU Plan**"). A summary of the material differences between the PRSU Plan and the RSU Plan is set forth below. Additional details about the PRSU Plan and the RSU Plan are provided in this Information Circular under the heading "*Statement of Executive Compensation – Incentive Plans*". The summary information is qualified in its entirety by the full text of the PRSU Plan, attached hereto as Schedule "E".

- **Rolling plan.** The PRSU Plan would limit the number of Common Shares issuable pursuant to the plan to 7% of the issued and outstanding Common Shares at the time of the grant, including securities issuable under the Corporation's other equity security plans. Under the RSU Plan, no more than 6,000,000 Common Shares were issuable as restricted share units ("**RSUs**").
- **Performance share units.** The PRSU Plan would provide for the grant of performance share units ("**PSUs**", and together with RSUs, "**Share Units**") entitling participants to receive Common Shares upon the achievement of certain performance criteria, in addition to the time vesting component applicable to RSUs.
- **Insider Participation Limit.** The PRSU Plan would reduce the number of Common Shares issuable pursuant to Share Units granted to insiders under the PRSU Plan and any other security-based compensation arrangement of the Corporation from 10% to 7% of the issued and outstanding Common Shares, and reduce the number of Common Shares that can be issued to insiders under the PRSU Plan and any other security-based compensation arrangement of the Corporation within a twelve month period from 10% to 7% of the issued and outstanding Common Shares. The PRSU Plan would also reduce the aggregate number of Common Shares issuable to any one insider and such insider's associates in a twelve month period under any security-based compensation agreement from 5% to 3% of the issued and outstanding Common Shares.
- **Non-employee directors.** The PRSU Plan would continue to allow for the grant of RSUs to non-employee directors but would limit the value of RSUs granted in any one calendar year to any one non-employee director to \$150,000, when combined with all other security-based compensation. Directors would not be eligible to receive PSUs.
- **Retirement.** Under the PRSU Plan, Share Units granted to a participant during the calendar year of such participant's retirement would expire but Share Units granted before such year would continue to vest in accordance with their terms, notwithstanding the retirement of a participant. Under the RSU Plan, in the event that a participant ceased to be a director, officer, employee or consultant of Tamarack, for any reason other than death or permanent disability, including retirement, the participant could, prior to the expiry date of the RSUs and within 90 days from the date of ceasing to be a director, officer, employee or consultant, exercise any RSUs which were vested within such period, after which time any outstanding RSUs would terminate.
- **'Double trigger'.** The change of control provision was amended in the PRSU Plan to include a 'double trigger', pursuant to which unvested Share Units would not immediately vest and be exercisable unless a participant's service with the Corporation or any subsidiary has: (i) involuntarily terminated without Cause

(as defined in the PRSU Plan); or (ii) voluntarily terminated for Good Reason (as defined in the PRSU Plan) within one month prior to or twelve months following the date of a Change of Control (as defined in the PRSU Plan). Performance against ascribed performance criteria would be taken into account when determining what portion of PSUs would vest upon such ‘double trigger’. Previously, unvested RSUs would immediately vest and be exercisable in the event of Change of Control (as defined in the RSU Plan), notwithstanding a participant’s continued service to the Corporation.

- **Amendments.** The PRSU Plan specifies additional instances where Shareholder approval is required in connection with amendments to the PRSU Plan and Share Units granted thereunder.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, pass an ordinary resolution approving the PRSU Plan, on the following terms (the “**PRSU Plan Resolution**”):

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. the performance and restricted share unit plan of the Corporation (the “**PRSU Plan**”), attached as Schedule “E” to the information circular of the Corporation dated April 10, 2018, which provides for the rolling grant of performance share units and restricted share units to acquire up to 7% of the number of issued and outstanding Common Shares of the Corporation, including securities issuable under the Corporation’s other equity security plans, is hereby confirmed, ratified and approved until May 10, 2021, being the date that is three years from the date of the shareholder approval provided hereby; and
2. any one director or officer of the Corporation be and is hereby authorized and directed to do all things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

In order for the PRSU Plan Resolution to be passed, it must be approved by a simple majority of the votes cast by Shareholders who vote in person or by proxy at the Meeting on such resolution.

The Board of Directors recommends that the Shareholders vote in favour of the PRSU Plan Resolution. To be effective, the PRSU Plan Resolution must be approved by a simple majority of the votes cast by the Shareholders who vote in person or by proxy at the Meeting on the PRSU Plan Resolution. In the absence of a contrary instruction, the person designated by management of the Corporation in the enclosed form of proxy intends to vote in favour of the PRSU Plan Resolution.

The rules of the TSX require securityholders to approve and affirm unallocated entitlements under a rolling security-based compensation plan within three years of listing to the TSX and every three years thereafter. The rules of the TSX require shareholder approval of a fixed plan only when such plan is instituted and when approval is required for amendment. As the RSU Plan is a fixed plan, not a rolling plan, if Shareholder approval for the PRSU Plan Resolution is not obtained at the Meeting, the Corporation will be able to continue to grant the 6,000,000 RSUs approved for issuance under the RSU Plan by Shareholders on June 2, 2014.

6. Other Business

The directors and officers of the Corporation are not aware of any matters, other than those indicated in this Information Circular, which may be submitted to the Meeting for action. However, if any other matters should properly be brought before the Meeting, the enclosed form of proxy confers discretionary authority to vote on such other matters according to the best judgment of the person holding the proxy at the Meeting.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director, or executive officer of the Corporation or anyone who has held office as such since the beginning of the

Corporation's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting except as otherwise disclosed in this Information Circular.

CORPORATE GOVERNANCE AND AUDIT COMMITTEE DISCLOSURE

National Policy 58-201 - *Corporate Governance Guidelines* provides guidance on corporate governance practices. These guidelines, while not mandatory, deal with the constitution of boards of directors and board committees, their functions and their independence from management, as well as other means of addressing corporate governance practices. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101") mandates that an issuer disclose, on an annual basis, its approach to corporate governance with reference to the form prescribed by NI 58-101.

Disclosure of the Corporation's corporate governance practices, as prescribed under Form 58-101F2, is provided in the Corporation's statement of corporate governance practices ("**Statement of Corporate Governance Practices**") attached hereto as Schedule "A" to this Information Circular and forms an integral part of this Information Circular.

For details regarding the Audit Committee and external auditor services fees, please see the heading "Audit Committee Information" and Appendix "C" to the Annual Information Form of the Corporation for the year ended December 31, 2017, which can be accessed on the Corporation's SEDAR profile at www.sedar.com.

STATEMENT OF EXECUTIVE COMPENSATION

The statement of executive compensation of Tamarack is attached as Schedule "C" to this Information Circular and forms an integral part of this Information Circular.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Stock Option Plan and the RSU Plan comprise the only equity compensation plans approved by the Shareholders. For a full description of the Stock Option Plan and the RSU Plan, see the heading "*Incentive Plans*" in Schedule "C" to this Information Circular - *Statement of Executive Compensation*.

Certain members of the executive team and professional staff had received preferred shares (the "**TAC Preferred Shares**") in a wholly-owned subsidiary of the Corporation. The TAC Preferred Shares are exchangeable by the Corporation (in its sole discretion) for 0.9615385 of a Common Share of the Corporation, subject to certain conditions. Under the terms and conditions of an exchange agreement between the Corporation and each holder of TAC Preferred Shares (the "**Exchange Agreement**"), the Corporation has the option to purchase each TAC Preferred Share for either a cash payment reflecting the "in-the-money" amount or equivalent Common Share consideration (based on an exercise price of \$3.12 per Common Share equivalent) under certain circumstances. For a full description of the TAC Preferred Shares and the terms of the Exchange Agreement, see the heading "*Elements of the Corporation's Executive Compensation Program – Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement*" of Schedule "C" to this Information Circular - *Statement of Executive Compensation*.

As at the date hereof, there are 4,595,000 Options, 5,818,382 RSUs and 1,155,007 TAC Preferred Shares issued and outstanding. Assuming all TAC Preferred Shares are exercised, then the Corporation would issue 1,110,584 Common Shares.

The Corporation has no equity compensation plan not approved by the Shareholders other than for the TAC Preferred Shares issued in accordance with the Restructuring and exchangeable for Common Shares pursuant to the terms of the Exchange Agreement. Although not directly approved by the Shareholders as an equity compensation plan, the TAC Preferred Shares were considered and indirectly approved by Shareholders by way of and as part of the restructuring of the Corporation that occurred on June 17, 2010 (the "**Restructuring**").

The following table sets forth information in respect to Common Shares authorized for issuance under the Corporation's equity compensation plans as at December 31, 2017. Unless otherwise indicated, all dollar amounts reported herein are in Canadian dollars.

Plan	Number of Common Shares to be Issued upon Exercise of Outstanding Options, RSUs and TAC Preferred Shares (a)	Weighted Average Exercise Price of Outstanding Options, RSUs and conversion price of TAC Preferred Shares (b)	Number of Common Shares Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Stock Option Plan	4,555,667	\$3.79	18,295,371 ⁽⁴⁾
RSU Plan	5,818,382	N/A ⁽³⁾	181,618 ⁽⁴⁾
Equity Compensation Plans Approved by Shareholders	10,374,049	N/A	18,476,989
Equity Compensation Plans not Approved by Shareholders	1,110,584 ⁽¹⁾	\$3.12 ⁽²⁾	Nil
TOTAL:	11,484,633	N/A	18,476,989

Notes:

- (1) Of the 1,110,584 Common Shares issuable upon the exercise of the 1,155,007 TAC Preferred Shares issued and outstanding as at December 31, 2017, only 540,650 of such Common Shares are treated as "equity-based compensation". For further information, see the heading "*Elements of the Corporation's Executive Compensation Program – Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement*" in Schedule "C" to this Information Circular - *Statement of Executive Compensation*.
- (2) The conversion price of the TAC Preferred Shares is \$3.12.
- (3) The RSUs do not have an exercise price or conversion price.
- (4) As at December 31, 2017, a total of 22,851,038 Common Shares were available for issuance under the Stock Option Plan, representing 10% of the issued and outstanding Common Shares as of December 31, 2017. As at December 31, 2017 a total of 6,000,000 Common Shares were available for issuance under the RSU Plan.

The following table sets the annual burn rate under each of the Corporation's equity compensation plans for each of the three most recently completed financial years:

Plan	2015	2016	2017
Stock Option Plan	0.8%	0.8%	0.1%
RSU Plan	1.6%	1.0%	1.2%
TOTAL:	2.4%	1.8%	1.3%

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries or to any other entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed below, the management of the Corporation is not aware of any material interest, direct or indirect, of any “informed person” (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) of the Corporation or any proposed nominee as a director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation’s most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation or any of its subsidiaries.

Mr. Currie, a director of the Corporation, was the President and Chief Executive Officer of Spur Resources Ltd. until it was acquired by the Corporation on January 10, 2017.

AUDITORS OF THE CORPORATION

The auditors of the Corporation are KPMG LLP, Chartered Professional Accountants, at 3100, 205 - 5th Ave SW, Calgary, Alberta T2P 4B9.

MANAGEMENT CONTRACTS

Management functions of the Corporation or its subsidiaries are not performed by any person or entity other than by the directors and executive officers of the Corporation or subsidiaries, as the case may be.

ADDITIONAL INFORMATION

Financial information concerning the Corporation is provided in its comparative financial statements and the accompanying management’s discussion and analysis for its most recently completed financial year. Copies of such documents and additional information relating to the Corporation may be obtained by accessing the Corporation’s SEDAR profile at www.sedar.com. In addition, copies of the financial statements and accompanying management’s discussion and analysis for Tamarack’s most recently completed financial year may also be obtained from the Corporation, without charge, by contacting Ron Hozjan, the Vice President, Finance and Chief Financial Officer of the Corporation at (403) 263-4440.

SCHEDULE "A"

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the board of directors (the "**Board**" or "**Board of Directors**") of Tamarack Valley Energy Ltd. ("**Tamarack**" or the "**Corporation**"), the members of which are elected by and are accountable to the shareholders of the Corporation ("**Shareholders**"). The Board of Directors views effective corporate governance as an important aspect of its oversight responsibility. With that in mind, the Board of Directors reviews Tamarack's corporate governance practices on an ongoing basis to ensure that they provide for effective stewardship.

The following disclosure of Tamarack's corporate governance practices is presented pursuant to the requirements of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

Tamarack Board of Directors

As of December 31, 2017, Tamarack's Board of Directors consisted of Floyd Price, Jeffrey Boyce, Dean Setoguchi, Brian Schmidt, David MacKenzie, Noralee Bradley, John Leach, Ian Currie and Robert Spitzer. Mr. Setoguchi will not stand for election at the Meeting.

Tamarack's Board of Directors has determined that as of December 31, 2017, Messrs. Price, Boyce, MacKenzie, Setoguchi, Leach and Spitzer, and Ms. Bradley are each independent within the meaning of NI 58-101. Accordingly, the majority of the directors of the Board are independent within the meaning of NI 58-101. Brian Schmidt is not independent under NI 58-101 as he is an executive officer of Tamarack as of the date hereof. Ian Currie was determined to not be independent given that he acted as an executive officer of a company that was acquired by the Corporation within the past three years of the date hereof. The Board facilitates its exercise of independent supervision over management by having an independent chairman and having independent directors participate in the Board committees.

The Board has determined that Mr. Price, the Chairman of the Board, is independent. As the Chairman of the Board, Mr. Price provides overall leadership to the Board ensuring that the Board is organized properly and functions effectively. Among other things, the Chairman maintains a liaison and communication with all of the directors and the chairs of committees to co-ordinate input from directors, and optimize the effectiveness of the Board and its committees. The Chairman also maintains as a liaison and communication with the President and Chief Executive Officer to ensure that the Board receives adequate and regular updates from the President and Chief Executive Officer on all issues important to the welfare and future of the Corporation. The Chairman of the Board is also responsible for the overall management of the Board. The Chairman, working with the Chief Executive Officer, ensures that there are effective relations with securityholders, stakeholders and the public.

The independent members of the Board do not hold regularly scheduled meetings at which the non-independent directors and members of management are not in attendance. Although the independent directors do not hold meetings without the non-independent directors and members of management, the Board facilitates open and candid discussion among its independent directors and holds *in-camera* sessions without management present at the conclusion of its regularly scheduled Board meetings and at other Board meetings.

The independent members of the Board are authorized to retain independent financial, legal and other experts as required whenever, in their opinion, matters come before the Board which require an independent analysis by the independent members of the Board.

The Board of Directors meet in person at least four times annually. The Board holds additional unscheduled meetings from time-to-time as business needs require. The Board held nine meetings in Tamarack's last financial year. Regular meetings of the committees are held throughout the year as required and the audit committee of the Corporation (the "**Audit Committee**") meets at least quarterly per year in conjunction with the review and approval of annual and quarterly financial statements, management's discussion and analysis and reports to Shareholders.

Each committee can hold unscheduled additional meetings from time to time as business needs require or as may be requested by a member of the Board.

The following table sets out the Board meeting attendance record for those individuals who are directors of the Corporation for all Board meetings held in the Corporation’s most recently completed financial year:

<u>Name of Director</u>	<u>Meetings Attended⁽¹⁾</u>
Floyd Price	9/9
Jeffrey Boyce	9/9
Dean Setoguchi ⁽²⁾	7/9
Brian Schmidt	9/9
David MacKenzie	8/9
Noralee Bradley	9/9
John Leach ⁽³⁾	7/9
Ian Currie ⁽⁴⁾	7/9
Robert Spitzer ⁽⁵⁾	3/9

Notes:

- (1) In 2017, nine Board meetings were held.
- (2) Mr. Setoguchi will not stand for election at the Meeting.
- (3) John Leach was appointed as a director of Tamarack on January 18, 2017 and attended all but one of the Board meetings on or after such date.
- (4) Ian Currie was appointed as a director of Tamarack on March 22, 2017 and attended all Board meetings on or after such date.
- (5) Robert Spitzer was appointed as a director of Tamarack on June 22, 2017 and attended all Board meetings on or after such date.

Board Mandate and Position Descriptions

The Board is responsible for the stewardship and oversight of the business and affairs of the Corporation. The responsibilities and obligations of the Board are set forth in a written mandate of the Board, a copy of which is attached as Schedule “B” to the Information Circular. The Board annually reviews its mandate and considers and effects changes as appropriate.

The Board has not developed written position descriptions for the Chairman of the Board or for the Chief Executive Officer. For a description of the Chairman’s duties, see the heading “*Tamarack Board of Directors*”.

Directorships

The following table sets forth the current directors of Tamarack who currently hold directorships with other reporting issuers and the names of those reporting issuers:

<u>Director</u>	<u>Other Reporting Issuer</u>
Floyd Price	Cimarex Energy Co. ⁽¹⁾

Note:

- (1) Cimarex Energy Co. is a U.S. reporting issuer with its securities listed on the NYSE Amex.

Orientation and Continuing Education

All new directors are provided with copies of all board and committee mandates and policies, Tamarack’s by-laws, pertinent corporate information and other reference materials, and are introduced to senior management and the other directors of Tamarack. Although Tamarack’s Board of Directors and management encourages directors to be apprised of developments in the oil and gas industry and expects directors to keep up-to-date with the Corporation’s business and affairs, Tamarack’s Board of Directors is of the view that formal continuing education programs for directors are not required by virtue of the fact that directors are nominated and elected with the necessary experience and expertise required to satisfy their duties and responsibilities. The orientation and education process is reviewed from time to time and will be revised accordingly as circumstances warrant.

Ethical Business Conduct

The directors are of the view that a culture of strong corporate governance and ethical business conduct must be endorsed by Tamarack's Board of Directors and the Corporation's executive officers. The Corporation has a written code of business conduct and ethics (the "**Code**") for its directors, officers, employees and consultants which has been approved by the Board of Directors and distributed to all directors, officers, staff and consultants. A copy of the Code may be found under the Corporation's SEDAR profile at www.sedar.com. The Board of Directors has delegated to senior management the responsibility for day to day monitoring of compliance with the Code and the Code has a provision to allow reports of concerns, complaints or breaches to be made directly to the Chairman of the Audit Committee. Any waivers of compliance with the Code is reviewed by the Audit Committee which then reports and makes a recommendation to the Board of Directors. Where a potential conflict of interest exists that could affect a director or executive officer's independent judgment in relation to a transaction involving the Corporation, such conflict must be reported to the Audit Committee who shall make a determination as to whether such individual shall abstain from participating in the decision making process related to such transaction. To the knowledge of the Board of Directors, there have been no departures or waivers from this Code that would necessitate the filing of a material change report.

To further its goal of creating a culture of strong corporate governance and ethical business conduct, the Corporation implemented a written clawback policy (the "**Clawback Policy**") and a written anti-hedging policy (the "**Anti-Hedging Policy**") on March 6, 2018. The Clawback Policy has been implemented for situations where a director, executive officer or other employee receives additional incentive compensation as a result of his or her own misconduct (the "**Overpayment Amounts**"). In such situations, the director, executive officer or other employee shall be obligated to reimburse the Corporation for such Overpayment Amounts and the Board shall be given the discretion to determine the steps required to effect such recovery. The Anti-Hedging Policy has been implemented to ensure that directors, executive officers and employees of the Corporation are prohibited from hedging or monetizing transactions in order to lock in the value of their securities of the Corporation. Examples would include the entry into prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds that have the effect of offsetting a decrease in the market value of securities held in the Corporation.

Nomination of Directors

Tamarack's Governance & Compensation Committee is responsible for reviewing the size and composition of the Board and identifying potential director nominees, with the goal of ensuring that the Board consists of an appropriate number of directors who collectively possess the competencies identified as being critical to the effectiveness of Tamarack's Board of Directors as a whole. This assessment occurs on an annual basis, and all directors are afforded an opportunity to propose nominees to the Board by communicating such recommendation to the Governance & Compensation Committee. Tamarack's Governance & Compensation Committee is comprised of Messrs. Price, Leach and Spitzer, and Ms. Bradley, all of whom are independent within the meaning of NI 58-101.

As part of its annual process, the Governance & Compensation Committee considers succession planning for Board members and discusses guidelines to assist in the process of identifying new Board members. The profile of ideal characteristics and qualifications of nominees takes into account Tamarack's governance framework, including its diversity policy, and current Board composition.

Director Term Limits and Other Mechanisms of Board Renewal

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

Policies Regarding the Representation of Women on the Board

On March 6, 2018, the Corporation adopted a written diversity policy that recognizes the value of diversity at both the Board and an executive officer level. As part of this policy, the Governance & Compensation Committee acknowledges the important role that women, with appropriate and relevant skills and experience, can play in contributing to the diversity of perspectives on the Board. The Governance & Compensation Committee is of the view that selection of female candidates to join the Board will be, in part, dependent on the pool of female candidates with the necessary skills, knowledge and experience and that Board member nominations should be based on merit and the contribution the nominee will bring to the Board.

The Corporation is committed to ensuring that gender diversity among the Board is actively pursued. To this end, the Corporation aspires: (i) to have 25% of the Corporation's Board positions filled by women; and (ii) to monitor effectiveness of, and continue to expand on, initiatives designed to identify, support and develop talented women with leadership potential.

The Governance & Compensation Committee will review the diversity policy annually, which will include an assessment of the effectiveness of the policy and the progress of the Company in achieving the objectives of the policy. The Governance & Compensation Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Consideration of the Representation of Women in the Director Identification and Selection Process and Executive Officer Appointments

The Board and the Governance & Compensation Committee recognize the benefits of having a diversity at both the Board and executive officer level. The Board and Governance & Compensation Committee consider the level of representation of women on the Board and in executive officer positions in identifying and nominating candidates for election or re-election to the Board and appointment to executive officer positions.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

Under its diversity policy, the Corporation has adopted a 25% target regarding the representation of women on the Board. Currently, the Corporation has one out of nine (11.11%) female directors. After the Meeting, the Corporation is expected to have one out of eight (12.50%) female directors.

The Corporation has not adopted an objective target regarding women in executive officer positions. However, the Corporation aspires to use commercially reasonable efforts to ensure that executive officer and other senior positions are held by women, as relevant positions become vacant and appropriate skilled candidates are available. The Corporation currently has no female executive officers.

Compensation

Tamarack's Governance & Compensation Committee is responsible for reviewing the Corporation's overall compensation strategy, including the compensation of directors, and the non-management directors are responsible for reviewing and recommending for approval to Tamarack's Board of Directors the salaries and compensation of each of Tamarack's executive officers including the chief executive officer and the chief financial officer.

Tamarack's compensation framework is based on the overarching principle that compensation should be aligned with the interests of the Corporation's Shareholders, while recognizing that overall corporate performance is dependent on acquiring and retaining skilled, experienced and dedicated directors, executive officers and employees that possess the requisite skills, education and experience necessary to effect Tamarack's business strategy. Tamarack's compensation strategy also builds-in a measure of flexibility to allow its framework to adapt to unexpected developments in the oil and gas industry and general market trends.

Compensation of directors has been determined by the Board of Directors taking into consideration: (i) the size and stage of development of the Corporation; (ii) advice from Lane Caputo Compensation Inc. ("**Lane Caputo**") as to

what is market for the Corporation's peer group; and (iii) the objectives of retaining skilled, experienced and dedicated directors. The Corporation seeks to achieve the objectives of its compensation strategy for officers through annual base salary, performance-related cash bonuses, grants of options and restricted share units and an industry standard benefits plan. In determining executive officer compensation, Tamarack's Board of Directors considers a number of factors, including, but not limited to: (i) publicly available information of comparable oil and gas companies; (ii) Lane Caputo's advice as to what is market for the Corporation's peer group; and (iii) individual and corporate performance.

Other Board Committees

Tamarack's Board of Directors has four committees: (i) the Audit Committee, which is currently comprised of Dean Setoguchi, David MacKenzie, John Leach and Jeffrey Boyce, with Mr. Leach serving as Chairman; (ii) the reserves committee ("**Reserves Committee**"), which is currently comprised of David MacKenzie, Jeffrey Boyce and Ian Currie, with Mr. MacKenzie serving as Chairman; (iii) the governance and compensation committee ("**Governance & Compensation Committee**"), which is currently comprised of Floyd Price, Noralee Bradley, John Leach and Robert Spitzer, with Mr. Price serving as Chairman; and (iv) the health, safety and environment committee ("**Health, Safety & Environment Committee**"), which is currently comprised of Noralee Bradley, Ian Currie and Robert Spitzer, with Ms. Bradley serving as Chairman.

Mr. Leach joined the Board of Directors and was appointed as a member of the Audit Committee on January 18, 2017. Mr. Leach was subsequently appointed as a member of the Governance & Compensation Committee on August 9, 2017.

Mr. Currie joined the Board of Directors and was appointed as a member of the Reserves Committee on March 22, 2017. Mr. Currie was subsequently appointed as a member of the Health, Safety & Environment Committee on January 10, 2018.

Mr. Spitzer joined the Board of Directors and was appointed as a member of the Governance & Compensation Committee on June 22, 2017. Mr. Spitzer was subsequently appointed as a member of the Health, Safety & Environment Committee on January 10, 2018.

Mr. Setoguchi will not stand for election at the Meeting. Mr. Leach replaced Mr. Setoguchi as Audit Committee Chair on March 6, 2018.

Meetings of each committee are held throughout the year as required, and the Audit Committee meets in conjunction with the review and approval of news releases, annual and quarterly financial statements, management's discussion and analysis and reports to Shareholders, and audit arrangements.

Audit Committee

Details in respect of the Audit Committee, as prescribed by National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), are provided under the heading "Audit Committee Information" and Appendix "C" to the Annual Information Form of the Corporation for the year ended December 31, 2017, a copy of which is filed under the Corporation's SEDAR profile at www.sedar.com.

Reserves Committee

The Reserves Committee assists Tamarack's Board of Directors in carrying out its oversight responsibility with respect to public reporting of the Corporation's petroleum and natural gas reserves reporting and risk management. The Reserves Committee's primary duties and responsibilities regarding its reserves function are to:

- (a) assist the Tamarack Board of Directors in respect of annual independent and internal reviews of the Corporation's petroleum and natural gas reserves and future net revenue;

- (b) report to the Tamarack Board of Directors on the Corporation's petroleum and natural gas reserves and recommend to the Board the acceptance and inclusion of the contents of the report from the independent engineers or senior reserve personnel on the Corporation's petroleum and natural gas reserves, and in accordance with applicable regulatory requirements; and
- (c) periodically consider the Corporation's operations, production and reserves.

Governance & Compensation Committee

The Governance & Compensation Committee assists the Tamarack Board of Directors in carrying out its oversight responsibility with respect to corporate governance and compensation matters, including making recommendations to Tamarack's Board of Directors in respect of compensation issues relating to directors, management and employees of the Corporation. The Governance & Compensation Committee's primary duties and responsibilities include, but are not limited to, the following:

- (a) all matters relating to corporate governance, including the stewardship role of Tamarack's Board of Directors in respect of the management of the Corporation;
- (b) Board size and composition, including the candidate selection process and the orientation of new members;
- (c) such procedures as may be necessary to allow Tamarack's Board of Directors to function independently of management;
- (d) appointing and compensating officers and approving succession plans for officers;
- (e) approving and reporting to Tamarack's Board of Directors respecting the Corporation's human resources policies for officers; and
- (f) considering the administration of the Corporation's compensation and benefits plans.

In addition to the compensation arm of this committee, the purpose of the corporate governance component to this committee includes, but are not limited to, the following:

- (a) assisting in the development, monitoring and assessment of the Corporation's overall approach to corporate governance issues and, subject to the approval of the Board, oversee, in conjunction with and assistance from management, the implementation and administration of a system of corporate governance in accordance with applicable securities legislation and the rules of any stock exchange on which securities of the Corporation may be listed;
- (b) overseeing the annual reporting of corporate governance and compliance with applicable standards, applicable securities legislation and the rules of any stock exchange on which securities of the Corporation may be listed;
- (c) advising the Board or any of the committees of the Board of any corporate governance issues that the Committee determines ought to be considered by the Board or any such committee; and
- (d) reviewing the mandates and committees of the Board and the effectiveness of the Board, the committees and individual directors.

Health, Safety & Environment Committee

The Health, Safety & Environment Committee assists Tamarack's Board of Directors in carrying out its oversight responsibility with respect to the Corporation's policies, programs, standards, practices and internal control systems and performance measurement tools relating to health, workforce safety, process safety, environmental protection,

field operational excellence, emergency response, security and the safeguarding of the Corporation's premises, installations, assets and personnel and the Corporation's relationship with the communities affected by its business and operations. The Health, Safety & Environment Committee's is responsible for monitoring, reviewing, reporting and making recommendations to the Board with respect to:

- (a) the Corporation's performance and effectiveness in respect of health, safety and environmental matters relative to internal improvement objectives and industry best practice;
- (b) any non-compliance situation or incident giving rise to significant risks to health, safety or the environment;
- (c) emerging trends, issues, policies, regulations and legislation related to health, safety or the environment;
- (d) the results of any review with management, outside accountants and legal advisors relating to health, safety or the environment, including the implications of major corporate undertakings such as the acquisition, expansion or decommissioning of facilities;
- (e) the findings of any significant report by regulatory agencies, external health, safety and environmental consultants or auditors concerning the Corporation's performance with respect to health, safety or the environment, including suggested corrective measures; and
- (f) the status any actual or threatened civil or criminal occupational health and safety or environmental proceedings, claims, orders, actions or government investigation against the Corporation.

Assessments

Tamarack's Board of Directors, its committees and individual directors are assessed informally with respect to effectiveness and overall contribution facilitated by the chairman of Tamarack's Board of Directors and the chief executive officer of the Corporation and will be assessed formally from time to time in the future by the Governance & Compensation Committee under its mandate. Although formal assessments are not regularly conducted at this time, the Board satisfies itself that the Board, its committees and individual directors are performing effectively through informal discussions with, and feedback it receives from, management and Shareholders and through one-on-one meetings between the Chairman and individual Board members. The Board also conducts director self-assessments which are completed by each director in order to determine the competencies and oversight of the Board as a whole. These self-assessments assist the Board in identifying areas of improvement and in recommending qualified director nominees.

SCHEDULE "B"
BOARD MANDATE

TAMARACK VALLEY ENERGY LTD.

Board of Directors Mandate

Policy Statement

Tamarack Valley Energy Ltd. (the “**Corporation**”) has established this mandate for the Board of Directors (the “**Board**”) of the Corporation to assist it in fulfilling its responsibility to oversee the business and affairs of the Corporation and the activities of management who are responsible for the day to day conduct thereof.

Composition

A majority of the directors shall be resident Canadian and shall be “independent” as such term is defined in Section 1.4 of *National Instrument 52-110 - Audit Committees* and any other applicable securities legislation unless a member is deemed not to be independent only by virtue of being an executive officer of a subsidiary entity.

Meetings

1. The Board will meet at least four times annually and at such other times as it considers necessary for the purpose of governing the business and affairs of the Corporation. In addition the Board will meet at least once each year to review the longer term strategies and prospects of the Corporation.
2. Information and data that is important to the Board’s understanding of the business and affairs of the Corporation should be distributed by management to the Board on a timely basis in advance of the meetings. Care should be taken to ensure that the Board is not called upon too late in the decision making process.
3. As a general rule presentations on specific subjects should be sent by management to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material.
4. The President and Chief Executive Officer (the “**CEO**”) will be responsible for the extent and quality of the information sent to members of the Board.
5. Senior management should be invited to attend the Board meetings as appropriate to expose the directors to key members of management and to provide additional insight into the items being considered by the Board.
6. The Board will hold in camera sessions without management or any other individuals present, at every Board meeting.

General Responsibilities

The Board has the responsibility to oversee management of the Corporation with a view to ensuring legal requirements have been met, and documents and records have been properly prepared, approved and maintained. In that regard the Board will strive to ensure that the Corporation meets its obligations on an ongoing basis and that it operates in a reliable and safe manner.

1. The Board will review and approve the quarterly and annual financial statements of the Corporation and the communication of such results and operations to the shareholders.
2. The Board will oversee the overall development of the business of the Corporation by reviewing, discussing and approving the Corporation’s strategic planning and organizational structure for the purposes of growth and preservation of the business of the Corporation and its underlying value.

3. The Board will be responsible for the appointment of the CEO and all other senior management and approving their compensation.
4. The Board will oversee that succession planning programs are in place, including programs to train and develop management.
5. The Board will consider management's procedures for risk management and mitigation, communication, safety and environment and internal control of the Corporation.
6. The Board may discharge its responsibility for overseeing the management of the Corporation's business and affairs, by delegating to management the day to day responsibility for the same and by reserving certain powers to itself. The Board will retain the responsibility of managing its own affairs and procedures, including selecting the lead director of the Board, nominating candidates for election to the Board, constituting committees of the Board and determining director compensation. Notwithstanding the foregoing general responsibilities, the Board may constitute, seek the advice of and delegate powers, duties and responsibilities to committees of the Board, subject to the articles and by-laws of the Corporation, applicable securities legislation and the *Business Corporations Act* (Alberta).

Specific Duties

To carry out its general responsibilities, the Board will, as it determines appropriate from time to time:

1. Legal Requirements

- (a) endeavour to ensure the Corporation meets its legal requirements and properly prepares, approves and maintains its documents and records;
- (b) oversee the management of the business and affairs of the Corporation;
- (c) act honestly and in good faith with a view to the best interest of the Corporation;
- (d) exercise the care, diligence and skill that responsible, prudent people would exercise in comparable circumstances;
- (e) act in accordance with its obligations contained in the *Business Corporation Act* (Alberta) and the regulations thereto, the Corporation's articles and by-laws, and other relevant legislation and regulations;
- (f) comply with applicable statutory duties and obligations set out in applicable legislation;
- (g) consider the following matters as a full Board which in law may not be delegated to management or to the committee of the Board:
 - i. any submission to the shareholders of a question or matter requiring the approval of the shareholders;
 - ii. filling of a vacancy among the Board;
 - iii. issuance of securities;
 - iv. declaration of dividends;
 - v. purchase, redemption or any other form of acquisition by the Corporation of securities issued by the Corporation;

- vi. payment of a commission to any person in consideration of his/her purchasing or agreeing to purchase securities of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchases for any such securities;
 - vii. approval of management proxy circulars;
 - viii. approval of any take-over bid circular or directors' circular;
 - ix. approval of public financial statements of the Corporation; and
 - x. adoption, amendment or repeal of any by-laws of the Corporation; and
- (h) review and obtain assurance from management and the Corporation's independent engineering firm that the Corporation's disclosure of oil and gas reserves and future net revenue complies with applicable securities legislation, which in law may be delegated to a committee of the Board, subject to the requirement that the full Board meet with any such committee and review and approve the content and filing of such disclosure in accordance with *National Instrument 51-101- Standards of Disclosure for Oil and Gas Activities* and applicable securities legislation.

2. *Governance*

- (a) oversee the implementation of appropriate structures and procedures to permit the Board to function independently of management; and
- (b) in consultation with management, be aware of and consider whether the Corporation complies with applicable securities legislation or polices of any stock exchange on which the Corporation's securities are listed for trading regarding corporate governance.

3. *Strategy Determination*

- (a) review and approve the strategic plan, which plan shall be prepared by management and reviewed and approved by the Board.

4. *Managing Risk*

- (a) in consultation with management, understand the principal risks of the Corporation's business, oversee the achievement of a proper balance between risks incurred by the Corporation and the potential return of shareholders, and review the systems in place to effectively monitor and manage those risks with a view to the long-term viability of the Corporation, it having recognized that it is the responsibility of management to ensure that the Board and the appropriate committees are kept well informed of new and changing risks on a timely basis.

5. *Appointment, Training and Monitoring of Senior Management*

- (a) appoint the CEO, monitor and assess CEO performance, determine CEO compensation, and provide advice and counsel in the execution of the CEO's duties;
- (b) approve the appointment and remuneration of all officers of the Corporation;
- (c) consider whether adequate provision has been made for training and developing management and for the orderly succession of management; and
- (d) consider the integrity of the CEO and other officers and whether the CEO and other officers create a culture of integrity throughout the Corporation.

6. *Reporting and Communication*

- (a) satisfy itself that the Corporation has in place policies and programs to enable the Corporation to communicate with its shareholders, other stakeholders and the public generally;
- (b) review the resources and procedures in place such that the financial performance of the Corporation is reported to shareholders, other securityholders and regulators on a timely and regular basis;
- (c) review and, if applicable, obtain assurance from management and the auditors that the financial results are reported in accordance with applicable legislation;
- (d) consider procedures for the timely reporting of any other developments that have a significant and material effect on the value of the Corporation; and
- (e) report annually to shareholders on the Board's stewardship of the affairs of the Corporation for the preceding year.

7. *Monitoring and Acting*

- (a) make reasonable efforts to consider whether the Corporation operates within applicable legislation and to proper ethical standards;
- (b) approve environmental policies and periodically consider the application of appropriate environmental standards and legislation on the operations of the Corporation;
- (c) approve health and safety policies and periodically consider the application of appropriate programs for the health and safety of its employees in the workplace;
- (d) consider the Corporation's progress towards its goals and objectives and, if necessary, revise and alter its direction through management in response to changing circumstances;
- (e) take appropriate action when performance falls materially short of the Corporation's goals and objectives or when other special circumstances warrant;
- (f) consider the implementation of adequate internal control and information systems designed to ensure the effective discharge of the Board's responsibilities; and
- (g) consider the Corporation's internal control and information systems after implementation.

Other

- 1. The Board may perform any other activities consistent with this mandate, the Corporation's by-laws or any other governing laws as the Board determines necessary or appropriate.
- 2. Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Board shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the information provided by such persons or organizations, and (iii) representations made by management, independent counsel, and other advisors and experts to the Corporation and its subsidiaries.

SCHEDULE "C"

STATEMENT OF EXECUTIVE COMPENSATION

TAMARACK VALLEY ENERGY LTD.

STATEMENT OF EXECUTIVE COMPENSATION

Introduction

Tamarack Valley Energy Ltd. (the “**Corporation**” or “**Tamarack**”) has experienced significant growth over the past three years. The Corporation has completed two major acquisitions - Redwater / Penny in 2016 and Spur Resources Ltd. (“**Spur**”) in 2017 - and its team has expanded threefold.

During the transition from junior to intermediate oil and gas company, Tamarack has sought and incorporated feedback on its compensation strategy and practices from shareholders (“**Shareholders**”), proxy advisory firms, compensation consultants and its management team. In addition, Tamarack has evaluated the compensation arrangements of industry peers, which consist of increasingly large companies, and has revised its compensation practices to remain market-competitive.

The Corporation’s compensation program is designed to reward individual and team performance that contributes to the achievement of Tamarack’s business strategy on both a short-term and long-term basis. The Corporation’s compensation program consists of both fixed and variable compensation, with a significant portion of compensation being “at risk” and based on performance.

In 2018, subject to Shareholder approval at the Meeting, the Corporation will continue to improve its executive compensation program by introducing a new performance share unit (“**PSU**”) and restricted share unit (“**RSU**”) plan (the “**PRSU Plan**”) and amending the stock option (“**Option**”) plan (the “**Amended Option Plan**”) to create a well-balanced compensation mix that includes Option, RSU and forward-looking, performance-based PSU awards. Subject to Shareholder approval of the PRSU Plan and the Amended Stock Option Plan, the allocation of long-term incentives for the Corporation’s executive officers are anticipated to be weighted 50% PSUs, 35% RSUs and 15% Options in 2018.

Tamarack believes the adoption of the PRSU Plan and the Amended Option Plan, and awards thereunder, will align the interests of management of the Corporation with Shareholders by incentivizing management in the current commodity price environment to continue to reduce general and administrative and operating costs, achieve better returns on invested capital, improve operational efficiencies and promote production and reserves growth in order to increase the market value of the Tamarack’s common shares (“**Common Shares**”) and provide per share returns to Shareholders.

In addition to Shareholder alignment, Tamarack believes that the adoption of the PRSU Plan and the Amended Option Plan will provide Tamarack with an effective retention tool to retain and motivate Tamarack’s executive officers. Furthermore, the Corporation’s current strategy, subject to future cash flow, is to settle the majority of RSUs by purchasing Common Shares in the market, which will reduce dilution for Shareholders.

The Corporation is confident that these changes increase the comparability of its pay mix to peers and support the continued successful execution of its business strategy. Tamarack encourages Shareholders to support the enhancements to its executive compensation design.

COMPENSATION DISCUSSION & ANALYSIS

Compensation Governance

The Governance & Compensation Committee assists the Board of Directors of the Corporation in establishing and monitoring the compensation of the management and staff and aligning compensation with the strategies, business plans and objectives of the Corporation with the assistance of independent professional consultants when deemed necessary in fulfilling its duties under the committee mandate.

The Governance & Compensation Committee assists the Board of Directors in carrying out its oversight responsibility with respect to corporate governance and compensation matters, including making recommendations to the Board of Directors in respect of compensation issues relating to directors, management and employees of the Corporation. The Governance & Compensation Committee's primary duties and responsibilities include, but are not limited to, the following:

- (a) all matters relating to corporate governance, including the stewardship role of Tamarack's Board of Directors in respect of the management of the Corporation;
- (b) board size and composition, including the candidate selection process and the orientation of new members;
- (c) such procedures as may be necessary to allow the Board of Directors to function independently of management;
- (d) appointing and compensating officers and approving succession plans for officers;
- (e) approving and reporting to the Board of Directors respecting the Corporation's human resources policies for officers; and
- (f) considering the administration of the Corporation's compensation and benefits plans.

In addition to the compensation arm of this committee, the purpose of the corporate governance component to this committee includes, but are not limited to, the following:

- (a) assisting in the development, monitoring and assessment of the Corporation's overall approach to corporate governance issues and, subject to the approval of the board, oversee, in conjunction with and assistance from management, the implementation and administration of a system of corporate governance in accordance with applicable securities legislation and the rules of any stock exchange on which securities of the Corporation may be listed;
- (b) overseeing the annual reporting of corporate governance and compliance with applicable standards, applicable securities legislation and the rules of any stock exchange on which securities of the Corporation may be listed;
- (c) advising the Board or any of the committees of the Board of any corporate governance issues that the committee determines ought to be considered by the board or any such committee; and
- (d) reviewing the mandates and committees of the Board and the effectiveness of the Board, the committees and individual directors.

As at December 31, 2017, the Governance & Compensation Committee was comprised of four directors, namely Mr. Floyd Price, who acted as Chair of the Governance & Compensation Committee, Ms. Noralee Bradley, Mr. John Leach and Mr. Robert Spitzer. Mr. John Leach joined the Board of Directors on January 18, 2017 and was

subsequently appointed to the Governance & Compensation Committee on August 9, 2017. Mr. Robert Spitzer joined the Board of Directors and was appointed as a member of the Governance & Compensation Committee on June 22, 2017.

Messrs. Price, Leach, Spitzer and Ms. Bradley, were determined to be independent by the Board in accordance with prescribed independence rules. See the heading “*Tamarack Board of Directors*” of Schedule “A” - *Statement of Corporate Governance Practices*.

Each member of the Governance & Compensation Committee has knowledge about compensation design and administration and has direct experience that is relevant to his or her responsibilities for executive compensation within the Corporation. Each of Messrs. Price, Leach and Spitzer have previously served as a senior executive of a public oil and gas company. Ms. Bradley has previously served on the corporate governance and compensation committee of Angle Energy Inc., a TSX listed oil and gas company and also on the Executive and Compensation Committee of her former law firm which oversaw philosophy and implementation of compensation for over 150 professionals and has been assisting corporations in designing and implementing compensation packages for over 20 years. The skills and experience possessed by the members of the Governance & Compensation Committee enable them to make decisions on the suitability of the Corporation’s compensation policies and practices and fulfill the committee mandate.

Strategy & Approach to Compensation

The compensation policies for the Corporation are recommended to the Board of Directors by the Governance & Compensation Committee which works with the Chief Executive Officer to propose compensation for executives and employees that are in line with the Corporation’s priorities and objectives.

The Governance & Compensation Committee reviews and, as appropriate, adjusts Tamarack’s overall compensation strategy, including the compensation of the Corporation’s executive officers, directors and employees, on an annual basis. In connection with this annual review, the Governance & Compensation Committee takes into account operational and financial performance, market conditions and benchmarks and compares its compensation practices against industry peers to ensure its compensation program is line with other comparable companies operating in the oil and gas industry in Canada. As part of this annual review, the Governance & Compensation Committee has retained Lane Caputo Compensation Inc. (“**Lane Caputo**”), independent compensation consultants, to provide independent analysis of, and advice with respect to, Tamarack’s compensation program.

Lane Caputo has been retained by the Governance & Compensation Committee on various matters since 2013, including reviewing the compensation plan including the Corporation’s long term incentive plan framework, making recommendations on how to design and implement a RSU plan (“**RSU Plan**”), making recommendations on how to design and implement a plan to grant PSUs and conducting a comprehensive review of the compensation practices of the Corporation. As part of their mandate in 2017, Lane Caputo was asked to assist the Corporation with, among other things, reviewing and revising the peer group used to benchmark Tamarack’s compensation arrangements and benchmarking executive and independent board compensation against the peer group.

The Governance & Compensation Committee, in consultation with Lane Caputo, considered the size (based on market capitalization, enterprise value, capital budget, oil & gas production levels and operating revenue) and stage of development of the following 14 companies in determining an appropriate peer group of comparators:

Advantage Oil & Gas Ltd.
Bellatrix Exploration Ltd.
Bonterra Energy Corp.
Cardinal Energy Ltd.
Cona Resources Ltd.

Crew Energy Inc.
Kelt Exploration Ltd.
NuVista Energy Ltd.
Obsidian Energy Ltd.
Painted Pony Energy Ltd.

Spartan Energy Corp.
Storm Resources Ltd.
Surge Energy Inc.
TORC Oil & Gas Ltd.

These energy companies were selected as peer companies on the basis that they are the direct competitors for the individuals required to execute the Corporation’s strategic plan. Peer group constituents are reviewed on a regular basis to ensure their continued relevance. The same group is used to benchmark the Corporation’s director compensation.

The aggregate fees billed by Lane Caputo for services related to determining compensation for the Corporation’s executive officers and directors in each of the two most recently completed financial years is set out in the table below:

	Year Ended	
	December 31, 2017	December 31, 2016
Executive Compensation-Related Fees	\$37,500	\$26,000
All other fees	\$-	\$-
Total fees	\$37,500	\$26,000

The Governance & Compensation Committee must pre-approve any retainers by Lane Caputo or other compensation consultants by the Corporation and notice is provided to the Board. There were no other consultants hired or contracted to assist the Board of Directors or the Governance & Compensation Committee in formulating executive compensation in 2014, 2015, 2016 or 2017. Executive Compensation Principles

Tamarack’s compensation policies are founded on the principle that compensation should be aligned with the interests of the Shareholders, while also recognizing that Tamarack’s corporate performance is dependent upon the attraction, recruitment and retention of highly trained, experienced and committed directors, executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the business and effect Tamarack’s business strategy. Tamarack’s compensation policies also recognize that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences and trends from time to time.

The main objectives of the Corporation’s executive compensation program are to attract, recruit and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation’s strategic objectives and to align their interests with the long-term interests of the Corporation’s Shareholders. The basis of the executive compensation program is to pay for performance.

The Corporation’s compensation program is designed to reward individual and team performance that contributes to the achievement of Tamarack’s business strategy on both a short-term and long-term basis. The Corporation’s compensation program consists of both fixed and variable compensation, with a significant portion of compensation being “at risk” and based on performance. Executive compensation consists of three principal components: (a) base salary; (b) bonuses; and (c) participation in the Corporation’s equity compensation plans. The aggregate value of these principal components and related benefits is used as a basis for assessing the overall competitiveness of Tamarack’s executive compensation program.

Initially, the principles were designed to keep salaries low and stage the salaries up as corporate size increased and major transactions were completed by the Corporation. Given this principle, an opportunity to invest in securities of

the Corporation through private placements which involved both Common Shares of the Corporation and preferred shares (the “**TAC Preferred Shares**”) in a subsidiary of the Corporation exchangeable into Common Shares were provided to management, staff and directors. See “*Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement*”. Subject to Shareholder approval, the Corporation intends to make certain amendments to the Stock Option Plan and to amend the RSU Plan for the 2018 financial year to provide officers of the Corporation, among others, with the opportunity to acquire PSUs to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders. The retention of executive staff is enhanced with the issuance of PSUs. The Corporation intends to use a combination of Options, RSUs and PSUs as compensation for individuals which allocation will be dependent on the applicable individual’s position. Each current and proposed element of the executive compensation program is described below.

Tamarack believes the adoption of the Amended Option Plan (as defined below) and the grant of Options for Common Shares thereunder will align the interests of management of the Corporation with Tamarack’s shareholders by incentivizing management in the current commodity price environment to continue to reduce general and administrative and operating costs, achieve better returns on invested capital, improve operational efficiencies and promote production and reserves growth in order to increase the market value of the Tamarack’s Common Shares and provide per share returns to Tamarack’s shareholders. In addition to shareholder alignment, Tamarack believes that the adoption of the Amended Option Plan will provide Tamarack with an effective retention tool to retain and motivate Tamarack’s executive officers. In addition, the Corporation maintains its structured bonus plan, the objectives of which are focused on accomplishing key corporate goals that are established and measured on an annual basis. The results obtained are directly linked to the annual bonus received by the executive officer. The Governance & Compensation Committee and the Board of Directors recognize that compensation based on performance promotes the Corporation’s continued growth in production, reserves, funds from operations and managing costs both on an absolute basis and in some cases, on a per share basis. These key objectives are aligned with the interests of Shareholders.

Risks Associated with Compensation Practices

The oversight and administration of the Corporation’s executive compensation program requires the Governance & Compensation Committee to consider risks associated with the Corporation’s compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at annual reviews and also throughout the year whenever it is deemed necessary by the Governance & Compensation Committee.

The Corporation’s executive compensation policies and practices are intended to align management incentives with the long-term interests of the Corporation and its Shareholders and to attract and retain qualified personnel. In each case, the Corporation seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks include:

- **An independent compensation advisor.** The Governance & Compensation Committee is satisfied that Lane Caputo is independent and possesses the appropriate expertise to advise the Governance & Compensation Committee on matters within its mandate. The Governance & Compensation Committee must pre-approve other services may Lane Caputo provide to the Corporation at the request of management.
- **An annual review of compensation programs.** The Governance & Compensation Committee conducts an annual review of Tamarack’s compensation strategy, including the Corporation’s compensation philosophy and program design in consideration of current business requirements, market practice, and best practices in pay governance.
- **Both corporate and individual performance objectives.** The corporate and individual performance objectives established each year are aligned with the Corporation’s priorities for that year and are stress-

tested to ensure payouts will be reasonable within the context of performance outcomes. Production and cost objectives are linked to further align management's interests with Shareholders and prevent inappropriate risk-taking.

- **Both fixed and variable compensation.** A significant portion of total direct compensation is delivered through variable compensation, providing a strong pay-for-performance link with a competitive 'base' level of compensation through salary.
- **Both short-term and long-term incentives.** Executive compensation is spread between short-term cash incentives and long-term incentive awards to mitigate the risk of overemphasis on short-term goals at the expense of long-term, sustainable performance.
- **Capped short-term incentive payments.** The performance measures contained within the annual short-term incentive award have a maximum payout cap of 150% of target, limiting Tamarack's potential cash outflows.
- **The application of discretion.** The Governance & Compensation Committee and the Board retain discretion to adjust individual performance objectives during the year to ensure they remain aligned with the evolving priorities of the Corporation and to increase or decrease payout levels based on an overall assessment of the Corporation's performance, ensuring appropriate pay-for-performance alignment and flexibility to make reasonable exceptions when necessary.
- **Internal controls.** The Corporation has implemented financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation and operates a Board-approved hedging strategy that limits management's ability to hedge against fluctuations in commodity pricing and foreign exchange which thereby reduces the risk taking that could affect compensation.
- **Share ownership requirements.** On March 6, 2018, the Corporation implemented share ownership guidelines (the "**Ownership Guidelines**") for non-employee directors and executive officers of the Corporation to further align the long-term interests of Shareholders and the directors or executive officers. The Ownership Guidelines require that non-employee officers and directors hold at the minimum, within three years of joining the Corporation, Common Shares or Common Share equivalents, including vested and unvested RSUs and, subject to Shareholder approval, earned PSUs, having an aggregate value of at least: (i) three times their annual salary for executive officers; and (ii) three times their Board retainer for non-employee directors
- **Anti-hedging policy.** The Corporation has adopted a written policy that prohibits a Named Executive Officer (as defined below) or director, among others, from purchasing financial instruments, including prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds, that are designed to or that may reasonably be expected to have the effect of hedging or offsetting a decrease in the market value of any securities of the Corporation.

The Corporation's anti-hedging policy has been implemented to ensure that directors, executive officers and employees of the Corporation are prohibited from hedging or monetizing transactions in order to lock in the value of their securities of the Corporation. Examples would include the entry into prepaid variable forward contracts, instruments for the short sale or purchase or sale of call or put options, equity swaps, collars, or units of exchangeable funds that have the effect of offsetting a decrease in the market value of securities held in the Corporation

In addition, pursuant to the Corporation's policy governing insider trading, short-term speculative trading of the Corporation's Common Shares by officers, directors and employees is strongly discouraged as it conflicts with the best interests of the Corporation and its Shareholders. Consequently, insiders including the Corporation's NEOs (as defined below), directors and their related persons, are not only discouraged from frequently trading the Common Shares, but are also specifically prohibited from short selling any Common Shares and from trading in any derivative instruments involving the Corporation's securities.

- **Compensation clawback policy.** The Corporation has implemented a clawback policy for situations where a director, executive officer or other employee receives additional incentive compensation as a result of his or her own misconduct (the "**Overpayment Amounts**"). In such situations, the director, executive officer or other employee shall be obligated to reimburse the Corporation for such Overpayment Amounts and the Board shall be given the discretion to determine the steps required to effect such recovery.

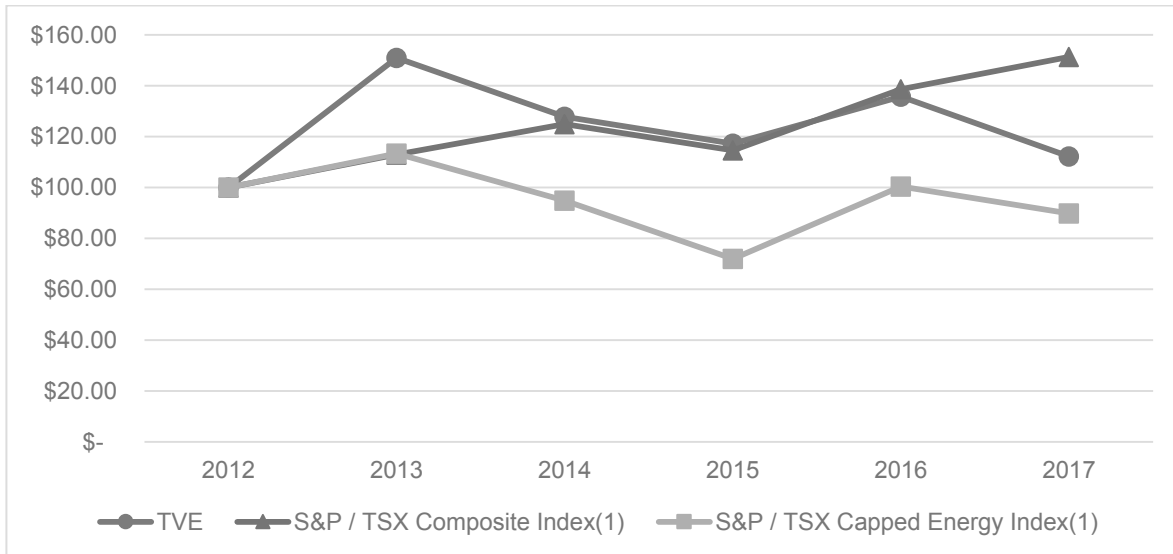
The compensation policies for the Corporation are recommended to the Board of Directors by the Governance & Compensation Committee which works with the Chief Executive Officer to propose compensation for executives and employees that are in line with the Corporation's priorities and objectives.

The Governance & Compensation Committee reviews and, as appropriate, adjusts Tamarack's overall compensation strategy, including the compensation of the Corporation's executive officers, directors and employees, on an annual basis. In connection with this annual review, the Governance & Compensation Committee takes into account operational and financial performance, market conditions and benchmarks and compares its compensation practices against industry peers to ensure its compensation program is in line with other comparable companies operating in the oil and gas industry in Canada. As part of this annual review, the Governance & Compensation Committee has retained Lane Caputo, independent compensation consultants, to provide independent analysis of, and advice with respect to, Tamarack's compensation program. Tamarack has retained Lane Caputo to assist with its compensation program design and review on an annual basis since 2013.

Tamarack's compensation policies are founded on the principle that compensation should be aligned with the interests of the Shareholders, while also recognizing that Tamarack's corporate performance is dependent upon the attraction, recruitment and retention of highly trained, experienced and committed directors, executive officers and employees who have the necessary skill sets, education, experience and personal qualities required to manage the business and effect Tamarack's business strategy. Tamarack's compensation policies also recognize that the various components thereof must be sufficiently flexible to adapt to unexpected developments in the oil and gas industry and the impact of internal and market-related occurrences and trends from time to time.

Performance Graph

The following performance graph compares the cumulative total shareholder return on the S&P/TSX Composite index and S&P/TSX Energy Index with the Corporation's cumulative shareholder return on Common Shares over the period from December 31, 2012 to December 31, 2017 (which includes periods in which the Common Shares were listed on the TSX Venture Exchange ("**TSX-V**")), assuming that \$100 was invested on the first day of the five-year period and reinvestment of all dividends. The Corporation graduated from the TSX-V to the TSX on August 24, 2015. The closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year) was \$2.86.



	December 31					
	2012	2013	2014	2015	2016	2017
Tamarack Valley	\$100.00	\$150.98	\$127.84	\$117.25	\$135.69	\$112.16
S&P/TSX Composite Index	\$100.00	\$112.99	\$124.92	\$114.53	\$138.67	\$151.28
S&P/TSX Capped Energy Index	\$100.00	\$113.32	\$94.80	\$71.93	\$100.44	\$89.78

Tamarack’s cumulative shareholder return performance reflects both operational and financial performance within its control as well as volatile commodity prices and economic and market conditions beyond the Corporation’s control.

The Corporation’s Governance & Compensation Committee, when determining bonuses for the Named Executive Officers, takes into account the current economic conditions and individual and corporate performance along with other relevant factors. Compensation for Named Executive Officers has increased but it is not directly linked to the price of the Common Shares.

Elements of the Corporation’s Executive Compensation Program

The Corporation’s executive compensation program for 2017 was primarily designed to reward performance and, accordingly, the performance of the Corporation and the Corporation’s executives was examined by the Chief Executive Officer and the Governance & Compensation Committee in conjunction with setting executive compensation packages which were recommended to the Board of Directors for approval. In assessing the performance of the Corporation and its executive officers, the Governance & Compensation Committee and the Board of Directors reviewed a number of investment performance criteria including rate of return on capital, production/drilling metrics, absolute and per share reserve growth, cost reduction initiatives and production targets relative to their respective stated goals and objectives and, in addition, for the executive management team (CEO and CFO), per share growth, stock price performance, increase in enterprise value in relation to the performance of the Corporation’s industry peer group and general and administrative costs per barrel of oil equivalent production compared to budget.

Base Salaries

The Board of Directors recognizes that the size of the Corporation prohibits base salary compensation for officers from matching those of larger companies in the petroleum and natural gas industry. The Board of Directors does believe, however, that performance-based compensation plans are an important element in the compensation packages for the Corporation's officers, and that long-term equity interests compensate for lower base salaries. This compensation strategy is similar to the strategies of many other companies in the Corporation's peer group.

The base salary component of the Corporation's executive compensation program for all executives, including the CEO, is reviewed by the Governance & Compensation Committee and approved by the Board of Directors and is intended to provide a fixed level of competitive pay that reflects the executive's primary duties and responsibilities. It also provides a foundation upon which performance-based incentive compensation elements are assessed and established. The Corporation intends to pay base salaries to its executives that are competitive with a range of companies in the oil and gas industry with which the Corporation competes for executives and professionals. The Board of Directors compares the base salaries of its executives with that of officers at peer companies in the oil and gas industry and expects to set Tamarack's pay level in-line with peers for such positions while also considering the other components of its executive compensation package. Factors to be reviewed in determining peer companies will include daily production levels on a barrel of oil equivalent ("boe") basis, mix of production between oil and gas, areas of focus, enterprise value and growth potential.

Annual Cash Bonuses

The Board of Directors and the CEO designed a performance based annual cash bonus program to incent top tier achievement relative to the Corporation's peers. The Corporation has a Board-approved annual performance based cash bonus program which was established in 2011 based on the recommendation from the CEO after consultation with a number of financial advisors and a review of bonus programs generally available for similar oil and gas companies. As part of its retainer in 2013, 2015 and 2017, Lane Caputo also reviewed the Corporation's bonus program and compared it to its peer companies. Under the cash bonus program, a maximum bonus pool of up to 60% for the NEOs, up to 65% for the CFO and up to 70% for the CEO of the total salaries paid in 2017 to the executive management team was available depending on the achievement of certain goals or exceeding certain operational and financial metrics. In special circumstances in which executives have significantly surpassed performance based targets, achieved certain corporate milestones or completed certain projects below budget, the Board has the discretion to approve bonuses in excess of the maximum bonus pools. In 2017, the Board took into account the effective integration of the assets acquired from Spur and the better than expected results of the development of those assets. Following a review of the Corporation's 2017 operational and financial performance, management fixed the cash bonus pool for 2017 at \$1,361,000, representing approximately 86% of the total salaries paid in 2017 to the executive management team.

The Board of Directors also has the ability to grant discretionary special bonuses to any member of the management or to staff for the additional time and effort incurred which is above and beyond expectations which could result in the Corporation achieving certain objectives such as a significant cost reduction efforts leading to improving investment returns or closing a material transaction that it believes has significantly boosted the Corporation's financial and operational metrics or has significantly increased shareholder value. The total discretionary special bonuses which were awarded relating to 2017 achievements was \$117,817.

There are different metrics used to measure the performance of the CEO and CFO and the other members of the executive management team and there will be a minimum threshold for each metric used to measure the performance of each of the groups.

Bonus Performance Measures for all Executives except the CEO and CFO

The following is a summary list of the categories that are measured against goals:

- a. *Investment Management System.* In this category, performance is based on three goals. The first and highest weighted goal is full cycle (including land and seismic costs) - rate of return on current year capital deployed. The second criteria is finding and development costs relative to the stated plan and the third is current year production additions from drilling relative to the stated plan. Information regarding reserves, production and costs are based on the Corporation's audited year end results and from the independent reserve evaluator's report.
- b. *Production Management System.* In this category, performance is based on three goals. The first goal is overall corporate production relative to the plan. The second goal is operating cost per boe of production relative to the stated plan and the third goal is actual capital spent relative to approved AFE (Authority for Expenditure) estimates.
- c. *Reserve Growth.* Similar to 2016, in 2017, the Board included the additional measurement of reserve growth per share and an absolute reserve growth target to ensure that the Corporation continues to incentivize its executive team to achieve top tier growth. Both of these targets will be adjusted from year to year dependant on the amount of capital that might be available for deployment each year.

For specific executive positions, the weighting of each category will change from year to year. For example, in 2017, the Vice President of Production is weighted heavily at 65% on the Production Management System with the remaining 25% coming from the Investment Management System and 10% from Reserve Growth.

Major acquisitions and/or equity financings will result in re-establishing new goals depending on the effect of the financing or acquisition. For example, if 1,000 boe/d (annualized) is acquired then the production goal is increased by 1,000 boe/d for the year. The established plan targets remain in place and are the same prior to a major acquisition or transaction, and are subsequently updated to account for the additional capital being deployed.

CEO and CFO Bonus Performance Measures

The CEO and CFO bonuses are determined by measuring actual results against pre-established goals. In 2017, there were a total of five metrics to measure, which included stock price performance, increase in market capitalization in relation to the performance of the Corporation's industry peer group, production per share growth and reserves per share growth for the current year. Additionally, reductions in general and administrative costs per boe is incentivized when year-end audited financial results and the year-end reserve report are compared to the stated plan for the applicable year.

To establish the 2017 financial year bonus pool for the CEO and CFO, the Board of Directors established a peer group for the purpose of comparison which was comprised of Bonterra Energy Corp., Cardinal Energy Ltd., Granite Oil Corp., Raging River Exploration Inc., Spartan Energy Corp., Surge Energy Inc., TORC Oil & Gas Ltd., Yangarra Resources Ltd., Obsidian Energy Ltd. and InPlay Oil Corp. The companies comprising this peer group were chosen due to their similarity to Tamarack in terms of size, stage in development and operational focus on conventional oil and gas in the Western Canadian sedimentary basin. The peer group is reviewed by the Governance & Compensation Committee on an annual basis. The metrics for the CEO and CFO were to obtain a minimum threshold for stock price performance during 2017 and a minimum threshold of increase in market capitalization during 2017. Each of the foregoing metrics for the CEO and CFO had a specified weighting. The per share metrics were adjusted for any acquisitions, financings or mergers during 2017.

Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement

The executive team and professional staff had received preferred shares in privately-held Tamarack Valley Energy Ltd. (“**PrivateCo**”), a separate oil and gas company which existed prior to the Restructuring. The Restructuring caused the amalgamation of PrivateCo with a subsidiary of the Corporation, the election of a new board of directors of the Corporation and the installation of a new management team, and the change of name of the Corporation from “Tango Energy Inc.” to “Tamarack Valley Energy Ltd.” Those preferred shares in PrivateCo were exchanged in accordance with the terms of the Restructuring for preferred shares in a wholly-owned subsidiary of the Corporation, the TAC Preferred Shares. The current subsidiary entity, “Tamarack Acquisition Corp.”, shall, for the purposes of this Information Circular, be referred to herein as “Subco”.

Subject to the *Business Corporations Act* (Alberta), the holders of TAC Preferred Shares are not entitled to vote at meetings of shareholders of Subco but are entitled to receive dividends when and if declared by the directors of Subco, but not in preference or priority to any payment of dividends on the common shares of Subco or any other classes of shares of Subco ranking senior to the TAC Preferred Shares. In the event of liquidation, dissolution or winding-up of Subco or any other distribution of assets of Subco among its shareholders for the purpose of winding-up its affairs, the holders of TAC Preferred Shares will be entitled to receive in respect of each share the greater of: (i) \$0.01 (which is the price paid for the TAC Preferred Shares); or (ii) the positive difference of the five day volume weighted average trading price of the Common Shares on the TSX or other stock exchange on which such shares are listed less \$3.12 multiplied by a ratio of 0.9615385 (which was the exchange ratio applied to the predecessor shares when exchanging into Common Shares for the Restructuring).

Under the terms and conditions of an exchange agreement between the Corporation and each holder of TAC Preferred Shares (“**Exchange Agreement**”), the Corporation shall have an option (“**Call Option**”), in its sole discretion, to purchase each TAC Preferred Share for either, subject to adjustment: (i) a cash payment equal to the “in-the-money” amount, being the positive difference between the five day volume weighted average trading price of Common Shares on the TSX or such other stock exchange on which the Common Shares are listed, less \$3.12; (ii) the Common Share consideration, being 0.9615385 Common Shares for each TAC Preferred Share provided \$3.12 per Common Share equivalent is paid by the holder; or (iii) the Common Share consideration equivalent to the “in-the-money” amount if the holder of TAC Preferred Shares is unable to make a cash payment as described in clause (ii). The Call Option may be exercised by the Corporation in the following circumstances: (a) upon the occurrence of a “change of control” (as defined in the Stock Option Plan); (b) the holder ceases to act in his or her capacity as a director, officer, employee or consultant of the Corporation for any reason other than death or permanent disability; (c) death or disability of the holder of TAC Preferred Shares; (d) any transfer or encumbrance is or is to be effected on a holder pursuant to law without the transferee becoming a party to the Exchange Agreement; or (e) the Common Shares trade at a 300% premium to the exercise price of \$3.12 per Common Share equivalent over any 20 consecutive day period (being days on which at least a board lot of Common Shares trades on the TSX or such other stock exchange on which the greatest number of Common Shares are traded).

Notwithstanding the foregoing, in paragraphs (b), (c) and (d) above, any consideration payable by the Corporation under the Call Option shall only be paid in respect of those TAC Preferred Shares which the holder would have been entitled to exchange in accordance with the one-third exercise schedule noted above and for all other remaining TAC Preferred Shares, the holder shall only receive a cash payment equal to \$0.01 per share. A copy of the Exchange Agreement is available on SEDAR under the Corporation’s profile at www.sedar.com.

As of December 31, 2017 and the date hereof, the maximum number of Common Shares issuable under the Exchange Agreement upon exercise of the then current number of issued and outstanding 1,155,007 TAC Preferred Shares is 1,110,584 and no further TAC Preferred Shares will be issued. All TAC Preferred Shares became fully vested as of June 17, 2013.

Of the 1,155,007 TAC Preferred Shares issued and outstanding as at December 31, 2017, 592,730 TAC Preferred Shares or 569,934 Common Shares issuable upon the exchange of the TAC Preferred Shares are regarded as incentive-based securities. The remaining 562,277 TAC Preferred Shares or 540,650 Common Shares issuable upon the exchange of the TAC Preferred Shares pursuant to the Exchange Agreement are treated as “equity-based

compensation” together with any Common Shares issuable under the Corporation’s security-based compensation arrangements.

Long Term Incentive Compensation –Options, Restricted Share Units and Performance Share Units

Options are granted under the Stock Option Plan to officers, employees and consultants, and are intended to align executive, employee, consultant and shareholder interests by attempting to create a direct link between compensation and shareholder return. Participation in the Stock Option Plan rewards overall corporate performance, as measured with reference to the price of the Corporation’s Common Shares, which are traded on the TSX. In addition, the Stock Option Plan enables executives to develop and maintain a significant ownership position in the Corporation. The outstanding number of TAC Preferred Shares and previously granted Options to an individual is taken into account when considering new Option grants.

If approved by Shareholders, the Corporation intends to amend the Stock Option Plan such that non-employee directors will not be eligible to receive Options. For additional information on the Stock Option Plan, and the proposed amendments thereto, see “*Matters to be Acted Upon at the Meeting – Approval of the Amended Option Plan and Unallocated Options Thereunder*” and “*Incentive Plans – Stock Option Plan*”.

RSUs are granted under the RSU Plan to directors, officers, employees and consultants of Tamarack, and are intended to allow them to participate in the long-term success of the Corporation and to promote a greater alignment of their interests with the interests of Shareholders.

If approved by Shareholders, the Corporation intends to replace the RSU Plan with a new PRSU Plan that would allow the Corporation to grant PSUs, in addition to RSUs, to officers, employees and consultants of Tamarack. Non-employee directors would not be eligible to receive PSUs. Subject to Shareholder approval of the PRSU Plan, the allocation of long-term incentives for the Corporation’s executive officers are anticipated to be weighted 50% PSUs, 35% RSUs and 15% Options in 2018. For additional information on the RSU Plan and the PRSU Plan, see “*Matters to be Acted Upon at the Meeting - Approval of the Performance and Restricted Share Unit Plan*” and “*Incentive Plans-RSU Plan*”.

Executive Compensation

Securities legislation requires the disclosure of the compensation received by each ‘named executive officer’ (each, a “**Named Executive Officer**” or “**NEO**” and collectively, the “**Named Executive Officers**” or “**NEOs**”) of the Corporation for the most recently completed financial year. “Named Executive Officer” is defined by securities legislation to mean: (i) the chief executive officer (“**Chief Executive Officer**” or “**CEO**”) of the Corporation; (ii) the chief financial officer (“**Chief Financial Officer**” or “**CFO**”) of the Corporation; and (iii) and each of the three most highly compensated executive officers of the Corporation, other than the CEO and the CFO, whose total compensation was, individually, more than \$150,000 for the year ended December 31, 2017.

For the year ended December 31, 2017, the Corporation had the following NEOs: (i) Mr. Brian Schmidt, President and Chief Executive Officer; (ii) Mr. Ron Hozjan, Vice President, Finance and Chief Financial Officer; (iii) Mr. Kevin Screen, Vice President, Production and Operations; (iv) Mr. Ken Cruikshank, Vice President, Land; (v) Mr. Scott Reimond, Vice President, Exploration; and (vi) Mr. Dave Christensen, Vice President, Engineering.

SUMMARY COMPENSATION TABLE

The following table sets forth, for the year ended December 31, 2017, information concerning the compensation paid to the Named Executive Officers for the three most recently completed financial years ended December 31, 2017.

Name and Principal position	Year	Salary (\$)	Share-based awards (\$) ⁽⁶⁾	Option-based awards (\$) ⁽⁵⁾	Non-equity incentive plan compensation (\$)			Total compensation (\$)
					Annual incentive plans ⁽⁴⁾	Long-term incentive plans	All other compensation(\$) ⁽²⁾	
Brian Schmidt <i>President & Chief Executive Officer</i> ⁽³⁾	2017	322,500	444,588	183,642	410,135	-	22,160	1,383,025
	2016	300,000	410,936	121,813	350,000	-	18,565	1,201,314
	2015	300,000	259,517	159,659	298,800	-	16,364	1,034,340
Ron Hozjan <i>Vice President, Finance and Chief Financial Officer</i>	2017	267,500	348,099	147,829	273,635	-	18,231	1,055,294
	2016	250,000	318,888	95,640	264,500	-	20,274	949,402
	2015	250,000	164,883	114,305	214,500	-	18,864	762,552
Kevin Screen <i>Vice President, Production and Operations</i>	2017	261,875	297,100	135,325	234,339	-	19,975	948,614
	2016	250,000	253,118	94,549	172,125	-	18,312	788,104
	2015	250,000	127,209	114,305	139,425	-	16,821	647,760
Ken Cruikshank <i>Vice President, Land</i>	2017	236,250	275,960	118,269	179,073	-	20,000	829,552
	2016	225,000	253,118	79,578	154,605	-	19,211	731,512
	2015	225,000	127,209	97,954	122,040	-	18,921	591,124
Scott Reimond <i>Vice President, Exploration</i>	2017	236,250	275,960	118,629	179,073	-	19,026	828,579
	2016	225,000	253,118	77,659	155,280	-	15,894	726,951
	2015	225,000	127,209	99,520	122,040	-	16,323	590,092
Dave Christensen <i>Vice President, Engineering</i>	2017	261,875	300,254	151,693	202,561	-	21,134	937,517
	2016	225,000	256,158	215,272	184,605	-	17,136	898,171
	2015	225,000	85,476	402,156	151,770	-	16,508	880,910

Notes:

- (1) Tamarack does not have a pension plan or similar benefit program.
- (2) Other compensation comprised of office parking and the value of benefits conferred under Tamarack's employee health benefit plan consisting of medical insurance, dental insurance and life insurance. The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than \$50,000 or 10% of the Named Executive Officer's total salary for the financial year.
- (3) Mr. Schmidt is also a director of the Corporation but is not compensated in such capacity.
- (4) Represents annual cash bonuses paid during the respective calendar year for individual and corporate performance relating to the prior year.
- (5) These amounts represent the fair value of the Options on the grant date for a covered financial year. The 2017 fair values were determined using the Black-Scholes model based on the following assumptions: (i) an expected life of five years; (ii) average expected volatility of 80%; (iii) a weighted average risk-free interest rate of 1.02%; and (iv) zero dividend yield, and is consistent with IFRS 2 Share-based Payment. The 2016 fair values were determined using the Black-Scholes model based on the following assumptions: (i) an expected life

of five years; (ii) average expected volatility of 80%; (iii) a weighted average risk-free interest rate of 0.92%; and (iv) zero dividend yield, and is consistent with IFRS 2 Share-based Payment. The 2015 fair values were determined using the Black-Scholes model based on the following assumptions: (i) an expected life of five years; (ii) average expected volatility of 80%; (iii) a weighted average risk-free interest rate of 0.90%; and (iv) zero dividend yield, and is consistent with IFRS 2 Share-based Payment. The Corporation has not incorporated an estimated forfeiture rate, rather it will account for actual forfeitures as they occur. Tamarack chose the Black-Scholes methodology because it is recognized as the most common methodology used for valuating incentive-based compensation and doing value comparisons.

- (6) Represents RSUs granted under the RSU Plan. Amounts reflect the grant date fair market value of RSUs granted in accordance with the RSU Plan, as applicable. Each RSU entitles the holder thereof upon settlement to receive one Common Share in accordance with the RSU Plan. The RSU grants vest one-third on the first, second and third anniversary of the date of the grant. For further information, see “*Elements of the Corporation’s Executive Compensation Program - Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement*” and “*Incentive Plans – RSU Plan*”.

Incentive Plans

TAC Preferred Shares

The Corporation currently has outstanding the TAC Preferred Shares and Exchange Agreement described in “*Elements of the Corporation’s Executive Compensation Program – Long-Term Incentive Compensation- TAC Preferred Shares and Exchange Agreement*”. No other TAC Preferred Shares will be issued.

Stock Option Plan

The Corporation also has a Stock Option Plan which was amended on April 30, 2014 to implement certain administrative matters. The Stock Option Plan, including certain amendments which were made to align it with the RSU Plan were approved by Shareholders at the Corporation’s annual general and special meeting held on June 2, 2014. The Corporation completed its graduation from the TSX-V to the TSX on August 24, 2015. The next approval by Shareholders of the Option Plan must occur no later than August 24, 2018. The Stock Option Plan is intended to afford persons who provide services to Tamarack an opportunity to obtain an increased proprietary interest in Tamarack by permitting them to purchase Common Shares and to aid in attracting as well as retaining and encouraging the continued involvement of such persons with Tamarack. Options under the Stock Option Plan are non-assignable except in the event of the death or permanent disability of a participant, in which case Options may be exercised by the person or persons to whom a participant’s rights under the Option pass by the participant’s will or applicable law. The Stock Option Plan is administered by the Governance & Compensation Committee and the Board of Directors.

As of the date of this Information Circular, the Corporation has 4,595,000 Options granted under the Stock Option Plan, representing 2.0% of the issued and outstanding Common Shares. At the Meeting, Shareholders will be asked to pass the Stock Option Resolution approving: (i) the Amended Option Plan; and (ii) the issuance of all unallocated Options issuable pursuant to the Amended Option Plan. As of the date hereof, there are approximately 11,418,500 Common Shares (representing 5.0% of the issued and outstanding Common Shares) available for issuance pursuant to the settlement of Options that may be granted in the future under the Amended Option Plan (and any other security-based compensation arrangement of the Corporation), subject to Shareholder approval.

On March 6, 2018, the Board approved the Amended Option Plan that will be effective upon receipt of Shareholder approval at the Meeting. The Stock Option Plan permits the granting of Options to purchase Common Shares to directors, officers, employees and consultants of the Corporation. The Amended Option Plan would make non-employee directors ineligible to receive Options. The Stock Option Plan currently limits the number of Common Shares that may be issued on exercise of Options, such that the Board is not permitted to grant Options under the Stock Option Plan if the number of Common Shares issuable pursuant to outstanding Options, when combined with the number of Common Shares issuable pursuant to outstanding convertible securities under any other security-based compensation arrangements of the Corporation, would exceed 10% of the issued and outstanding Common Shares at the time of the grant. The Amended Option Plan would: (i) reduce the aggregate number of Common Shares issuable under security-based compensation arrangements from 10% to 7% of the issued and outstanding Common Shares; and (ii) limit the number of Common Shares that can be reserved for issuance pursuant to Options granted to insiders under the Stock Option Plan and any other security-based compensation arrangement of the Corporation, and the number of Common Shares that can be issued to insiders under the Stock

Option Plan and any other security-based compensation arrangement of the Corporation within a twelve month period, to 7% of the issued and outstanding Common Shares.

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

In addition, under the Stock Option Plan the number of Common Shares reserved for issuance to any one person in any twelve month period shall not exceed 5% of the issued and outstanding Common Shares. The Amended Option Plan would reduce this threshold from 5% to 3% of the issued and outstanding Common Shares. The Stock Option Plan limits the number of Common Shares reserved for issuance to any one consultant in any twelve month period to 2% of the issued and outstanding Common Shares. This restriction is not required by the TSX and is not included in the Amended Option Plan. The Board of Directors determines the price per Common Share and the number of Common Shares that may be allotted to each officer, employee and consultant and all other terms and conditions of the Options, subject to the rules of the TSX.

Options granted pursuant to the Stock Option Plan have a term not exceeding five years (unless otherwise specifically provided by the Board of Directors) and vest in such manner as determined by the Board of Directors. The Stock Option Plan includes an additional requirement that, in any event, no Option shall have a term exceeding ten years, which is removed in the Amended Option Plan.

The exercise price of the Options granted pursuant to the Stock Option Plan is determined by the Board of Directors at the time of grant, provided that the exercise price shall not be less than the market price of the Common Shares. Since the Corporation's graduation to the TSX on August 24, 2015, the Board has defined market price, for the purpose of Option grants, as the volume weighted average trading price of the Common Shares, calculated by dividing the total value by the total volume of Common Shares traded for the relevant period on the TSX for the five trading days immediately preceding the date of the grant. The Amended Option Plan provides that the market price at any given time shall be determined: (i) by dividing the total value by the total volume of Common Shares trading on the TSX in the five days immediately preceding the date of the grant, if the Common Shares are trading on the TSX; (ii) based on the requirements of the applicable stock exchange, if the Common Shares are not trading on the TSX, but are trading on another stock exchange; and (iii) by the Board, acting reasonably, if the Common Shares are not trading on any stock exchange.

In the event that a participant of the Stock Option Plan ceases to be an officer, employee or consultant of Tamarack or a subsidiary of Tamarack for any reason, including without limitation, resignation, dismissal or otherwise but excluding death or permanent disability or, in the Amended Option Plan, retirement, the participant may, prior to the expiry date of the Options and within 90 days from the date of ceasing to be an officer, employee or consultant, exercise any Options which are vested within such period, after which time any outstanding Options shall terminate. In the event of death or permanent disability of the participant, the participant's legal representative or the participant, as applicable, may, within one year from the participant's death or disability, as applicable, and prior to the Expiry Date, exercise the Options which are vested within such period, after which time any remaining Options shall terminate. In the Amended Option Plan, in the event of retirement, any Option previously granted such participant shall be exercisable until the end of the option period shall continue to vest in accordance with the terms of such Options, except, at the discretion of the Board, for any Options which are granted to such participant during the calendar year in which the participant retires, all of which Options shall expire. For the purposes of the Amended Option Plan, retirement rights only apply relates to a participant who is either 60 years old or older or who has worked for 10 years or more at the Corporation or its subsidiaries.

The Stock Option Plan provides that unvested Options would immediately vest and be exercisable on the date of the sale by the Corporation of all or substantially all of its assets or a change of control. The change of control provision was amended in the Amended Option Plan to include a 'double trigger', pursuant to which unvested Options would not immediately vest and be exercisable unless a participant's service with the Corporation or any subsidiary has: (i)

involuntarily terminated without cause (as defined in the Amended Plan); or (ii) voluntarily terminated for good reason (as defined in the Amended Plan) within one month prior to or twelve months following the date of the change of control (as defined in the Amended Plan). Previously, unvested Options would immediately vest and be exercisable in the event of a sale or change of control, as applicable, notwithstanding a participant's continued service to the Corporation.

The Corporation's burn rate, as described in Section 613(d) of the TSX Company Manual, under the Stock Option Plan was 0.8% in fiscal 2015, 0.8% in fiscal 2016 and 0.1% in fiscal 2017. Management expects that the burn rate in fiscal 2018 will be approximately 0.09%. The burn rate is subject to change from time to time, based on the number of Options granted and the number of Common Shares issued and outstanding. The burn rate for a given period is calculated by dividing the number of Options granted under the Stock Option Plan during the applicable fiscal year by the weighted average of Common Shares outstanding during such period.

The Board may amend or discontinue the Stock Option Plan at any time without the approval of shareholders of the Corporation, provided that such amendment shall not alter or impair any stock option previously granted under the Stock Option Plan, except as permitted by the provisions of the Stock Option Plan, and provided that such amendment or discontinuance has been approved, if required, by the TSX.

The Amended Option Plan specifies that approval of the Shareholders and the TSX will be required for amendments to the Amended Option Plan or any Options previously granted under the Amended Option Plan that would:

- increase the maximum number of Common Shares that may be issued upon the exercise of Options granted under the Amended Option Plan;
- increase the maximum number of Common Shares that may be issued to insiders under the Amended Option Plan;
- reduce the exercise price of an Option;
- extend the expiry date of an Option;
- provide any form of financial assistance to a participant;
- permit Options to be transferable or assignable other than for normal estate settlement purposes as contemplated by the terms of the Amended Option Plan;
- allow for the grant of Options to non-employee directors; or
- any amendment to the amendment provisions of the Amended Option Plan.

A copy of the Stock Option Plan in its entirety is available under the Corporation's SEDAR profile at www.sedar.com.

Please see Schedule "D" for a copy of the Amended Option Plan, in its entirety.

RSU Plan

The Corporation implemented the RSU Plan, which was approved and adopted by Shareholders at the Corporation's annual general and special meeting held on June 2, 2014. The RSU Plan provides directors, officers, employees and consultants of Tamarack with the opportunity to acquire RSUs to allow them to participate in the long term success of the Corporation and to promote a greater alignment of their interests with the interests of the Shareholders.

The RSU Plan is administered by the Board of Directors which may, in turn, delegate to the Governance & Compensation Committee or such other committee of the Board as may be appointed by the Board of Directors to administer the RSU Plan.

On March 6, 2018, the Board approved the PRSU Plan that will be effective upon receipt of Shareholder approval at the Meeting. Under the RSU Plan, the Board of Directors may grant RSUs to directors of the Corporation or persons who are officers, employees or consultants as the Board of Directors determines should receive RSUs in accordance with applicable laws and the policies and rules of the TSX or such other stock exchange on which the Common Shares are listed. RSUs may still be granted to non-employee directors under the PRSU Plan, subject to a new restriction on the limits the number of RSUs granted in any one calendar year to any one non-employee director of the Corporation to less than \$150,000, but PSUs may only be granted to officers, employees or consultants. The Board reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation in the RSU Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of RSUs pursuant to the RSU Plan.

Each RSU entitles the holder thereof upon settlement to receive one Common Share in accordance with the RSU Plan. RSUs granted under the RSU Plan vest one-third on the first, second and third anniversary of the date of grant. RSUs granted under the PRSU Plan would vest in such manner as determined by the Board of Directors.

Subject to Shareholder approval, each PSU will entitle the holder thereof upon settlement to receive one Common Share in accordance with the PRSU Plan. The PSU grants would vest in such manner as determined by the Board of Directors, provided that certain performance conditions are also satisfied. Prior to the distribution date in respect of any PSU, the Board shall assess the performance of the Corporation for the applicable period. The weighting of the individual's performance measures shall be determined by the Board in its sole discretion having regard to the principal purposes of the PRSU Plan and, upon the assessment of all performance measures, the Board shall determine the adjustment factor for the applicable period in its sole discretion. The applicable adjustment factor may be between a minimum of zero and such maximum as determined by the Board (provided such maximum shall not exceed 2.0). The number of PSUs which vest on a vesting date *s* is the number of PSUs scheduled to vest on such date multiplied by the adjustment factor.

Subject to adjustments, the aggregate number of Common Shares that may be issued under the RSU Plan is limited to 6,000,000, representing approximately 2.6% of the issued and outstanding Common Shares as at December 31, 2017. This prescribed maximum may be subsequently increased to any specified amount, provided the increase is authorized by a vote of the Shareholders and RSUs may be granted in excess of the limit prescribed above provided such RSUs may not be exercised or settled until the increase is authorized by a vote of the Shareholders. As at December 31, 2017 there were 5,818,382 RSUs allocated and outstanding and as at the date hereof there were 5,720,049 RSUs allocated and outstanding. The PRSU Plan is a 'rolling' plan, not a fixed plan. The PRSU Plan would limit the number of Common Shares issuable pursuant to the plan to 7% of issued and outstanding Common Shares at the time of the grant, including securities issuable under the Corporation's other equity security plans. Under the RSU Plan, the Corporation may grant RSUs to directors, officers, employees and consultants of the Corporation. As of the date of this Information Circular, a maximum of 10,293,457 Share Units remained unallocated and available for grant under the PRSU Plan (and any other security-based compensation arrangement of the Corporation), subject to Shareholder approval.

The Board shall not grant RSUs under the RSU Plan if the number of Common Shares issuable pursuant to outstanding RSUs, when combined with the number of Common Shares issuable pursuant to outstanding Options granted under the Corporation's Stock Option Plan and outstanding convertible securities under any other

security-based compensation arrangements of the Corporation, would exceed 10% of the issued and outstanding Common Shares at the time of the grant. The PRSU Plan would: (i) reduce the aggregate number of Common Shares issuable under security-based compensation arrangements from 10% to 7% of the issued and outstanding Common Shares; and (ii) reduce the number of Common Shares that can be reserved for issuance pursuant to RSUs or PSUs (together, “**Share Units**”) granted to insiders under the PRSU Plan and any other security-based compensation arrangement of the Corporation, and the number of Common Shares that can be issued to insiders under the PRSU Plan and any other security-based compensation arrangement of the Corporation within a twelve month period, from 10% to 7% of the issued and outstanding Common Shares.

In addition, under the RSU Plan the number of Common Shares reserved for issuance to any one insider and such insider’s associates in any twelve month period shall not exceed 5% of the issued and outstanding Common Shares. The PRSU Plan would reduce this threshold from 5% to 3% of the issued and outstanding Common Shares. The RSU Plan limits the number of Common Shares reserved for issuance to any one consultant in any twelve month period to 2% of the issued and outstanding Common Shares. This restriction is not required by the TSX and is not included in the PRSU Plan.

In the event that a participant of the RSU Plan ceases to be a director, officer, employee or consultant of Tamarack or a subsidiary of Tamarack for any reason, including without limitation, resignation, dismissal or otherwise but excluding death or permanent disability or, in the PRSU Plan, retirement, the participant may, prior to the expiry date of the RSUs or PSUs, as applicable, and within 90 days from the date of ceasing to be a director, officer, employee or consultant, exercise any Share Units which are vested within such period, after which time any outstanding Share Units shall terminate. All grants of Share Units to US Taxpayers shall be deemed to adjust the 90 day term to 74 days. In the event of death or permanent disability of a participant, the participant’s legal representative or the participant, as applicable, may, within one year from the participant’s death and prior to the expiry date, exercise the Share Units which are vested within such period, after which time any remaining Share Units shall terminate. In the PRSU Plan, in the event of retirement, any Share Unit previously granted such participant shall be exercisable until the end of the award period shall continue to vest in accordance with the terms of such Share Unit, except, at the discretion of the Board, for any Share Unit which are granted to such participant during the calendar year in which the participant retires, all of which Share Units shall expire. For the purposes of the PRSU Plan, retirement rights only apply relates to a participant who is either 60 years old or older or who has worked for 10 years or more at the Corporation or its subsidiaries.

Under the RSU Plan, a holder of vested RSUs may determine the date of settlement of such RSUs, provided that such date is not later than the earlier of: (i) the thirtieth day after the holder ceases to be eligible to participate in the RSU Plan; and (ii) the fifth anniversary of the award date of the RSUs. Under the PRSU Plan, the conditions are amended such that the settlement date must not be later than the earlier of: (i) the thirtieth day after the holder ceases to be eligible to participate in the PRSU Plan; and (ii) December 15th of the year such Share Units become vested.

Under both the RSU Plan and the PRSU Plan, RSUs or PSUs, as applicable, are assignable by holders of such Share Units to certain assignors, including: a trustee, a custodian or an administrator acting on behalf of, or for the benefit of the holder or the holder’s spouse, a holding entity of the holder, or the holder’s spouse or the holder’s spouse. Share Units are otherwise non-transferable.

The Corporation’s burn rate, as described in Section 613(d) of the TSX Company Manual, under the RSU Plan was 1.6% in fiscal 2015, 1.0% in fiscal 2016 and 1.2% in fiscal 2017. Management expects that the burn rate in fiscal 2018 will be approximately 1.8%. The burn rate is subject to change from time to time, based on the number of Share Units granted and the number of Common Shares issued and outstanding. The burn rate for a given period is calculated by dividing the number of RSUs granted under the RSU Plan, or RSUs and PSUs granted under the PRSU Plan, as applicable, during the applicable fiscal year by the weighted average of Common Shares outstanding during such period.

Under the PRSU Plan, the Board, in its sole discretion, shall have the option of settling the Common Shares issuable in respect of Share Units by either or both of the following methods: (i) settlement in Common Shares acquired by the Corporation on the TSX; or (ii) the issuance of Common Shares from the treasury of the Corporation. Under the

RSU Plan, RSUs could only be settled by the issuance of Common Shares from treasury. Since the performance of the CEO and CFO is measured, among other things, based on per share growth, the Corporation is motivated to minimize dilution for Shareholders. Accordingly, the Corporation intends to settle Common Shares issuable in respect of Share Units primarily by acquiring such Common Shares on the open market through the facilities of the TSX.

The Board may amend or discontinue the RSU Plan and any RSUs granted thereunder at any time without the approval of shareholders of the Corporation, provided that such amendment shall not alter or impair any RSU previously granted under the RSU Plan, except as permitted by the provisions of the RSU Plan, and provided that such amendment or discontinuance has been approved, if required, by the TSX.

The RSU Plan specifies that approval of the Shareholders and the TSX will be required for amendments to the RSU Plan or any RSUs previously granted under the RSU Plan that would:

- increase the maximum number of Common Shares that may be issued under the RSU Plan;
- increase the maximum number of Common Shares that may be issued to insiders under the RSU Plan;
- extend the distribution date of any RSUs held by insiders beyond the original final date of the RSUs;
- reduce the award market value of any RSUs held by insiders otherwise than in accordance with the terms of the RSU Plan; or
- provide any form of financial assistance to a participant.

In addition to the amendment requirements in the RSU Plan, the PRSU Plan would require the approval of the Shareholders and the TSX for amendments to the PRSU Plan or any Share Units previously granted under the PRSU Plan that would:

- permit Share Units to be transferable or assignable other than for normal estate settlement purposes as contemplated by the terms of the PRSU Plan
- amend the limitations with respect to the RSUs that may be granted non-employee directors; or
- any amendment to the amendment provisions of the PRSU Plan.

Under the RSU Plan and PRSU Plan, if the Board terminates or suspends the plan, no new RSUs or PSUs, as applicable, may be granted to participants and those previously granted may be accelerated (if unvested) and/or Common Shares issuable pursuant to such Share Units may remain outstanding. The Board shall not require consent of any affected participant in connection with the termination of a plan where vesting of the Share Units of such participant is accelerated and Common Shares are issued to the participant in respect thereof.

A copy of the RSU Plan in its entirety is available under the Corporation's SEDAR profile at www.sedar.com.

Please see Schedule "E" for a copy of the PRSU Plan, as amended, in its entirety.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The following table is a summary of all outstanding share-based awards and option-based awards of Named Executive Officers as at December 31, 2017:

Name	Option-based Awards				Share-based Awards		
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date(s)	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of Common Shares that have not vested (#)	Market value of share-based awards that have not vested (\$)	Market value of vested share-based awards not paid out or distributed (\$)
Brian Schmidt <i>President & Chief Executive Officer</i>	250,000	3.25	October 16, 2018	Nil	393,333 ⁽⁴⁾	1,124,932 ⁽⁵⁾	662,568 ⁽¹⁾⁽³⁾⁽⁶⁾
	60,000	2.75	December 18, 2020	\$4,440			
	125,000	3.44	December 9, 2021	Nil			
Ron Hozjan <i>Vice President, Finance and Chief Financial Officer</i>	180,000	3.25	October 16, 2018	Nil	276,667 ⁽⁴⁾	791,268 ⁽⁵⁾	504,312 ⁽¹⁾⁽³⁾⁽⁶⁾
	50,000	2.75	December 18, 2020	\$3,667			
	100,000	3.44	December 9, 2021	Nil			
Kevin Screen <i>Vice President, Production and Operations</i>	180,000	3.25	October 16, 2018	Nil	225,000 ⁽⁴⁾	643,500 ⁽⁵⁾	408,980 ⁽¹⁾⁽³⁾⁽⁶⁾
	50,000	2.75	December 18, 2020	\$3,667			
	90,000	3.44	December 9, 2021	Nil			
Ken Cruikshank <i>Vice President, Land</i>	160,000	3.25	October 16, 2018	Nil	208,333 ⁽⁴⁾	595,832 ⁽⁵⁾	399,448 ⁽¹⁾⁽³⁾⁽⁶⁾
	40,000	2.75	December 18, 2020	\$2,933			
	80,000	3.44	December 9, 2021	Nil			
Scott Reimond <i>Vice President, Exploration</i>	150,000	3.25	October 16, 2018	Nil	208,333 ⁽⁴⁾	595,832 ⁽⁵⁾	399,448 ⁽¹⁾⁽³⁾⁽⁶⁾
	40,000	2.75	December 18, 2020	\$2,933			
	80,000	3.44	December 9, 2021	Nil			
Dave Christensen <i>Vice President, Engineering</i>	400,000	4.65	February 24, 2019	Nil	229,333 ⁽⁴⁾	655,892 ⁽⁵⁾	396,588 ⁽¹⁾⁽³⁾⁽⁶⁾
	40,000	2.75	December 18, 2020	\$2,933			
	90,000	3.44	December 9, 2021	Nil			

Notes:

- (1) Reflects TAC Preferred Shares issued in accordance with the Restructuring and which are exchangeable for Common Shares pursuant to the terms of the Exchange Agreement and RSUs granted in accordance with the RSU Plan on August 13, 2014 and December 9, 2016. All TAC Preferred Shares are fully vested as of June 17, 2013. For further information, see *"Elements of the Corporation's Executive Compensation Program – Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement"*.
- (2) Value calculated by multiplying the difference between the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year), being \$2.86, and the Option exercise price by the total number of unexercised Options (including unvested Options).
- (3) Market value calculated by multiplying the difference between the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year), being \$2.86, and the TAC Preferred Share exercise price of \$3.12 by the total number of vested, but unpaid or undistributed, TAC Preferred Shares.
- (4) Reflects RSUs granted in accordance with the RSU Plan on August 13, 2014 and December 9, 2016. Each RSU entitles the holder thereof upon settlement to receive one Common Share in accordance with the RSU Plan. The RSU grants vest one-third on the first, second and third anniversary of the date of the grant. For further information, see *"Incentive Plans – RSU Plan"*.
- (5) Value calculated by multiplying the total number of Common Shares issuable pursuant to RSUs that have not vested by the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year), being \$2.86.
- (6) Reflects RSUs granted in accordance with the RSU Plan on August 13, 2014, December 18, 2015 and December 9, 2016. Value is calculated by multiplying the total number of Common Shares issuable pursuant to vested RSUs by the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year), being \$2.86.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each Named Executive Officer, the value of share-based awards and option-based awards which vested during the year ended December 31, 2017, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2017.

Name	Option-based awards – Value vested during the year (\$) ⁽²⁾	Share-based awards – Value vested during the year (\$) ⁽³⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽¹⁾
Brian Schmidt <i>President & Chief Executive Officer</i>	Nil	566,618	410,135
Ron Hozjan <i>Vice President, Finance and Chief Financial Officer</i>	Nil	436,062	273,635
Kevin Screen <i>Vice President, Production and Operations</i>	Nil	354,930	234,339
Ken Cruikshank <i>Vice President, Land</i>	Nil	345,898	179,073
Scott Reimond <i>Vice President, Exploration</i>	Nil	345,898	179,073
Dave Christensen <i>Vice President, Engineering</i>	Nil	349,601	202,561

Notes:

- (1) Represents 2017 year-end cash bonus, all of which were paid in 2018.
- (2) Value is calculated by multiplying the difference between the closing price of the underlying Common Shares on the vesting date and the Option exercise price by the number of Options vesting on such date.
- (3) Reflects RSUs granted in accordance with the RSU Plan on August 13, 2014, December 18, 2015 and December 9, 2016. Value is calculated by using the share price of \$3.70 on August 15, 2016, \$3.53 on December 18, 2016, \$2.11 on August 11, 2017, \$2.55 on December 18, 2017 and \$2.71 on December 8, 2017, being the date of vesting of one third of such RSUs. Each RSU entitles the holder thereof upon settlement to receive one Common Share in accordance with the RSU Plan. The RSU grants vest one-third on the first, second and third anniversary of the date of the grant.

Pension Plan Benefits

The Corporation does not have a pension plan or similar benefit program.

Termination and Change of Control Benefits

In 2016, the Corporation entered into executive employment contracts with each of its NEOs, including an executive employment agreement (the “**CEO Executive Agreement**”) with Mr. Brian Schmidt (the “**CEO**”), an executive employment agreement (the “**CFO Executive Agreement**”) with Mr. Ron Hozjan (the “**CFO**”) and executive employment agreements (the “**Executive Agreements**”) with Messrs. Kevin Screen, Ken Cruikshank, Scott Reimond and Dave Christensen (each (including the CEO and CFO, as applicable), an “**Executive**”) that provide for payments to Executives following or in connection with any termination, resignation, retirement, change of control of the Corporation or change in an Executives’ responsibility. The Stock Option Plan and RSU Plan have similar provisions.

CEO Executive Agreement

The following is a description of the CEO Executive Agreement and certain of their terms and provisions in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in the Executive's responsibilities.

Type of Termination	Cash payments ⁽⁵⁾ (\$)	Benefits ⁽⁵⁾ (\$)	Share and option-based compensation (\$)
Resignation without Good Reason⁽¹⁾	None	None	See Note 6.
Resignation for Good Reason or Termination without Cause⁽²⁾ (without a change of control)	Lump sum equal to 18 times the sum of: (i) the Executive's monthly salary; plus (ii) one month of the Executive's average annual bonus earned in the two years immediately preceding the year in which such termination occurs.	The Executive shall also be provided with a continuation of basic health and dental benefits for a period of 18 months following the Executive's termination date. All other benefits shall be discontinued upon termination.	See Note 6.
Resignation for Good Reason or Termination without Cause (following a change of control)⁽³⁾	Lump sum equal to 24 times the sum of: (i) the Executive's monthly salary; plus (ii) one month of the Executive's average annual bonus earned in the two years immediately preceding the year in which such termination occurs.	The Executive shall also be provided with a continuation of basic health and dental benefits for a period of 24 months following the Executive's termination date. All other benefits shall be discontinued upon termination.	See Note 6.
Termination for Cause	None	None	See Note 6.
Death	None	Death benefits which may be payable in accordance with applicable insurance policies.	See Note 6.
On Prolonged or Permanent Disability⁽⁴⁾	None	None	See Note 6.

Notes:

- (1) **"Good Reason"** means: (a) a reduction in the base salary or a material reduction in the bonus arrangements available to the Executive (other than a reduced bonus as a result of performance); (b) exclusion of the Executive from the benefits plans or bonus plans available to the other Executives which results in a material diminution of the Executive's total compensation; (c) exclusion of the Executive from participation or a material diminution in rights available pursuant to the TAC Preferred Shares, the Stock Option Plan or the RSU Plan; (d) a change in geographic location at which the Executive performs his duties which increases the Executive's commute by more than 50kms; or (e) a material alteration of the Executive's duties which are detrimental to the Executive.
- (2) **"Cause"** means: (a) the Executive's breach of a material term of the Executive Agreement; (b) the Executive's repeated and demonstrated failure to perform the material duties of the Executive's position in a competent manner; (c) the conviction of the Executive for a criminal offence involving fraud or dishonesty, or which adversely impacts the reputation of the Corporation; (d) the Executive's wilful failure to act honestly and in the best interests of the Corporation; (e) a breach of the Executive's fiduciary duties; or (f) any actions or omissions on the part of the Executive constituting gross misconduct or gross negligence resulting in material harm to the Corporation or which adversely impacts the reputation of the Corporation in a material way.
- (3) In order to receive any payments, two events must occur. Firstly, there must be a "Change of Control" as defined in the Executive Agreement. Secondly, the Corporation must terminate the Executive's employment with the Corporation or the Executive must resign with Good Reason within six months following the Change of Control.
- (4) The Company may immediately terminate the agreement if the Executive, by reason of disability, be unable to perform his duties under the Executive Agreement for any 90 consecutive days in any 365 day period or 120 days in any 2 year period or in the event of his total physical or mental incapacity to perform his duties.
- (5) Prior to receipt of any cash payments or ongoing benefits in connection with termination, the Executive must execute a full and final release in favour of the Corporation.
- (6) The TAC Preferred Shares, Options and RSUs held by the Executive will be treated in accordance with the terms of the TAC Preferred Shares, the Stock Option Plan and the RSU Plan. The Corporation has agreed to exercise the Call Option in accordance with the Exchange Agreement. See *"Elements of the Corporation's Executive Compensation Program – Long Term Incentive Compensation TAC Preferred Shares and Exchange Agreement"*, *"Termination and Change of Control Under Stock Option Plan"* and *"Termination and Change of Control Under Stock Option Plan"*.

CFO Executive Agreement

The following is a description of the CFO Executive Agreement and certain of their terms and provisions in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in the Executive’s responsibilities.

Type of Termination	Cash payments ⁽⁵⁾ (\$)	Benefits ⁽⁵⁾ (\$)	Share and option-based compensation (\$)
Resignation without Good Reason⁽¹⁾	None	None	See Note 6.
Resignation for Good Reason or Termination without Cause⁽²⁾ (without a change of control)	Lump sum equal to 12 times the sum of: (i) the Executive’s monthly salary; plus (ii) one month of the Executive’s average annual bonus earned in the two years immediately preceding the year in which such termination occurs.	The Executive shall also be provided with a continuation of basic health and dental benefits for a period of 12 months following the Executive’s termination date. All other benefits shall be discontinued upon termination.	See Note 6.
Resignation for Good Reason or Termination without Cause (following a change of control)⁽³⁾	Lump sum equal to 18 times the sum of: (i) the Executive’s monthly salary; plus (ii) one month of the Executive’s average annual bonus earned in the two years immediately preceding the year in which such termination occurs.	The Executive shall also be provided with a continuation of basic health and dental benefits for a period of 18 months following the Executive’s termination date. All other benefits shall be discontinued upon termination.	See Note 6.
Termination for Cause	None	None	See Note 6.
Death	None	Death benefits which may be payable in accordance with applicable insurance policies.	See Note 6.
On Prolonged or Permanent Disability⁽⁴⁾	None	None	See Note 6.

Notes:

- (1) **“Good Reason”** means: (a) a reduction in the base salary or a material reduction in the bonus arrangements available to the Executive (other than a reduced bonus as a result of performance); (b) exclusion of the Executive from the benefits plans or bonus plans available to the other Executives which results in a material diminution of the Executive’s total compensation; (c) exclusion of the Executive from participation or a material diminution in rights available pursuant to the TAC Preferred Shares, the Stock Option Plan or the RSU Plan; (d) a change in geographic location at which the Executive performs his duties which increases the Executive’s commute by more than 50kms; or (e) a material alteration of the Executive’s duties which are detrimental to the Executive.
- (2) **“Cause”** means: (a) the Executive’s breach of a material term of the Executive Agreement; (b) the Executive’s repeated and demonstrated failure to perform the material duties of the Executive’s position in a competent manner; (c) the conviction of the Executive for a criminal offence involving fraud or dishonesty, or which adversely impacts the reputation of the Corporation; (d) the Executive’s wilful failure to act honestly and in the best interests of the Corporation; (e) a breach of the Executive’s fiduciary duties; or (f) any actions or omissions on the part of the Executive constituting gross misconduct or gross negligence resulting in material harm to the Corporation or which adversely impacts the reputation of the Corporation in a material way.
- (3) In order to receive any payments, two events must occur. Firstly, there must be a “Change of Control” as defined in the Executive Agreement. Secondly, the Corporation must terminate the Executive’s employment with the Corporation or the Executive must resign with Good Reason within six months following the Change of Control.
- (4) The Company may immediately terminate the agreement if the Executive, by reason of disability, be unable to perform his duties under the Executive Agreement for any 90 consecutive days in any 365 day period or 120 days in any 2 year period or in the event of his total physical or mental incapacity to perform his duties.
- (5) Prior to receipt of any cash payments or ongoing benefits in connection with termination, the Executive must execute a full and final release in favour of the Corporation.
- (6) The TAC Preferred Shares, Options and RSUs held by the Executive will be treated in accordance with the terms of the TAC Preferred Shares, the Stock Option Plan and the RSU Plan. The Corporation has agreed to exercise the Call Option in accordance with the Exchange Agreement. See *“Elements of the Corporation’s Executive Compensation Program – Long Term Incentive Compensation TAC Preferred Shares and Exchange Agreement”*, *“Termination and Change of Control Under Stock Option Plan”* and *“Termination and Change of Control Under Stock Option Plan”*.

Executive Agreements

The following is a description of the Executive Agreements and certain of their terms and provisions in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the company or a change in the Executive's responsibilities.

Type of Termination	Cash payments ⁽⁴⁾ (\$)	Benefits ⁽⁴⁾ (\$)	Share and option-based compensation (\$)
Resignation without Good Reason⁽¹⁾	None	None	See Note 5.
Resignation for Good Reason or Termination without Cause⁽²⁾	Lump sum equal to 12 times the sum of: (i) the Executive's monthly salary; plus (ii) one month of the Executive's average annual bonus earned in the two years immediately preceding the year in which such termination occurs.	The Executive shall also be provided with a continuation of basic health and dental benefits for a period of 12 months following the Executive's termination date. All other benefits shall be discontinued upon termination.	See Note 5.
Termination for Cause	None	None	See Note 5.
Death	None	Death benefits which may be payable in accordance with applicable insurance policies.	See Note 5.
On Prolonged or Permanent Disability⁽³⁾	None	None	See Note 5.

Notes:

- (1) **"Good Reason"** means: (a) a reduction in the base salary or a material reduction in the bonus arrangements available to the Executive (other than a reduced bonus as a result of performance); (b) exclusion of the Executive from the benefits plans or bonus plans available to the other Executives which results in a material diminution of the Executive's total compensation; (c) exclusion of the Executive from participation or a material diminution in rights available pursuant to the TAC Preferred Shares, the Stock Option Plan or the RSU Plan; (d) a change in geographic location at which the Executive performs his duties which increases the Executive's commute by more than 50kms; or (e) a material alteration of the Executive's duties which are detrimental to the Executive.
- (2) **"Cause"** means: (a) the Executive's breach of a material term of the Executive Agreement; (b) the Executive's repeated and demonstrated failure to perform the material duties of the Executive's position in a competent manner; (c) the conviction of the Executive for a criminal offence involving fraud or dishonesty, or which adversely impacts the reputation of the Corporation; (d) the Executive's wilful failure to act honestly and in the best interests of the Corporation; (e) a breach of the Executive's fiduciary duties; or (f) any actions or omissions on the part of the Executive constituting gross misconduct or gross negligence resulting in material harm to the Corporation or which adversely impacts the reputation of the Corporation in a material way.
- (3) The Company may immediately terminate the agreement if the Executive, by reason of disability, be unable to perform his duties under the Executive Agreement for any 90 consecutive days in any 365 day period or 120 days in any 2 year period or in the event of his total physical or mental incapacity to perform his duties.
- (4) Prior to receipt of any cash payments or ongoing benefits in connection with termination, the Executive must execute a full and final release in favour of the Corporation.
- (5) The TAC Preferred Shares, Options and RSUs held by the Executive will be treated in accordance with the terms of the TAC Preferred Shares, the Stock Option Plan and the RSU Plan. The Corporation has agreed to exercise the Call Option in accordance with the Exchange Agreement. See *"Elements of the Corporation's Executive Compensation Program – Long Term Incentive Compensation TAC Preferred Shares and Exchange Agreement"*, *"Termination and Change of Control Under Stock Option Plan"* and *"Termination and Change of Control Under Stock Option Plan"*.

Estimated Termination Payments

The table below shows estimated compensation amounts other than salary earned, bonus awarded and unused vacation pay as of the termination date if the Executives had been terminated on December 31, 2017.

Name	Type of Termination	Cash payments (\$)	Benefits (\$)	Option-based compensation (\$)⁽¹⁾⁽⁶⁾	Share-based compensation (\$)⁽¹⁾⁽⁷⁾	Total Payout (\$)
Brian Schmidt, <i>President and Chief Executive Officer</i>	Resignation without Good Reason	-	-	Nil ⁽²⁾	1,124,932 ⁽³⁾	1,124,932
	Resignation for Good Reason or Termination without Cause (without a change of control)	1,132,601	16,591	Nil ⁽²⁾	1,124,932 ⁽³⁾	2,274,124
	Resignation for Good Reason or Termination without Cause (following a change of control)	1,510,135	22,121	Nil ⁽⁴⁾	1,124,932 ⁽⁵⁾	2,657,188
	Termination for Cause	-	-	Nil ⁽²⁾	1,124,932 ⁽³⁾	1,124,932
	Death	-	375,000	Nil ⁽²⁾	1,124,932 ⁽³⁾	1,499,932
	On Prolonged or Permanent Disability	-	-	Nil ⁽²⁾	1,124,932 ⁽³⁾	1,124,932
Ron Hozjan, <i>Vice President, Finance and Chief Financial Officer</i>	Resignation without Good Reason	-	-	Nil ⁽²⁾	791,268 ⁽³⁾	791,268
	Resignation for Good Reason or Termination without Cause (without a change of control)	554,068	11,416	Nil ⁽²⁾	791,268 ⁽³⁾	1,356,751
	Resignation for Good Reason or Termination without Cause (following a change of control)	831,101	15,221	Nil ⁽²⁾	791,268 ⁽³⁾	1,637,590
	Termination for Cause	-	-	Nil ⁽²⁾	791,268 ⁽³⁾	791,268
	Death	-	285,000	Nil ⁽²⁾	791,268 ⁽³⁾	1,076,268
	On Prolonged or Permanent Disability	-	-	Nil ⁽²⁾	791,268 ⁽³⁾	791,268
Kevin Screen, <i>Vice President, Production and Operations</i>	Resignation without Good Reason⁽⁸⁾	-	-	Nil ⁽²⁾	643,500 ⁽³⁾	643,500
	Resignation for Good Reason or Termination without Cause⁽⁸⁾	478,232	11,060	Nil ⁽²⁾	643,500 ⁽³⁾	1,132,792
	Termination for Cause	-	-	Nil ⁽²⁾	643,500 ⁽³⁾	643,500
	Death	-	275,000	Nil ⁽²⁾	643,500 ⁽³⁾	918,500
	On Prolonged or Permanent Disability	-	-	Nil ⁽²⁾	643,500 ⁽³⁾	643,500

Name	Type of Termination	Cash payments (\$)	Benefits (\$)	Option-based compensation (\$)⁽¹⁾⁽⁶⁾	Share-based compensation (\$)⁽¹⁾⁽⁷⁾	Total Payout (\$)
Ken Cruikshank, <i>Vice President, Land</i>	Resignation without Good Reason⁽⁸⁾	-	-	Nil ⁽²⁾	595,832 ⁽³⁾	595,832
	Resignation for Good Reason or Termination without Cause⁽⁸⁾	411,839	11,060	Nil ⁽²⁾	595,832 ⁽³⁾	1,018,732
	Termination for Cause	-	-	Nil ⁽²⁾	595,832 ⁽³⁾	595,832
	Death	-	245,000	Nil ⁽²⁾	595,832 ⁽³⁾	840,832
	On Prolonged or Permanent Disability	-	-	Nil ⁽²⁾	595,832 ⁽³⁾	595,832
Scott Reimond, <i>Vice President, Exploration</i>	Resignation without Good Reason⁽⁸⁾	-	-	Nil ⁽²⁾	595,832 ⁽³⁾	595,832
	Resignation for Good Reason or Termination without Cause⁽⁸⁾	412,177	11,060	Nil ⁽²⁾	595,832 ⁽³⁾	1,019,069
	Termination for Cause	-	-	Nil ⁽²⁾	595,832 ⁽³⁾	595,832
	Death	-	245,000	Nil ⁽²⁾	595,832 ⁽³⁾	840,832
	On Prolonged or Permanent Disability	-	-	Nil ⁽²⁾	595,832 ⁽³⁾	595,832
Dave Christensen, <i>Vice President, Engineering</i>	Resignation without Good Reason⁽⁸⁾	-	-	Nil ⁽²⁾	655,892 ⁽³⁾	655,892
	Resignation for Good Reason or Termination without Cause⁽⁸⁾	468,583	11,060	Nil ⁽²⁾	655,892 ⁽³⁾	1,135,536
	Termination for Cause	-	-	Nil ⁽²⁾	655,892 ⁽³⁾	655,892
	Death	-	275,000	Nil ⁽²⁾	655,892 ⁽³⁾	930,892
	On Prolonged or Permanent Disability	-	-	Nil ⁽²⁾	655,892 ⁽³⁾	655,892

Notes:

- (1) For a description of the treatment of TAC Preferred Shares, Options and RSUs, as the case may be, see “*Elements of the Corporation’s Executive Compensation Program – Long Term Incentive Compensation TAC Preferred Shares and Exchange Agreement*”, “*Termination and Change of Control Under Stock Option Plan*” and “*Termination and Change of Control Under Stock Option Plan*”.
- (2) In the event an Executive ceases to hold his position as an officer of the Corporation, all vested Options are exercisable, provided such Options are exercised by 4:00 p.m. (Calgary time) on the earlier of the date of the expiration of the period in which such Options may be exercised and 90 days after the date such Executive is terminated. It has been assumed that all such vested Options that are in-the-money would be exercised and result in the additional benefit.
- (3) In the event an Executive ceases to hold his position as an officer of the Corporation, all RSUs granted to such Executive under the RSU Plan that have not yet vested within 90 days after the date that such Executive is terminated, shall terminate without payment and shall be of no further force or effect.
- (4) In the event of a change of control (as such term is defined in the Stock Option Plan), all outstanding Options become vested and exercisable. It has been assumed that all such vested Options that are in-the-money would be exercised and result in the additional benefit.
- (5) In the event of a change of control (as such term is defined in the RSU Plan), all unvested RSUs shall immediately vest and Common Shares issuable in respect of RSUs shall be, and shall be deemed to be, issued to participants of the RSU Plan effective immediately prior to the completion of the change of control transaction.
- (6) Value calculated by multiplying the difference between the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation’s most recently completed financial year), being \$2.86, and the Option exercise price by the total number of unexercised Options (including unvested Options).

- (7) For TAC Preferred Shares, value calculated by multiplying the difference between the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year), being \$2.86, and the TAC Preferred Share exercise price of \$3.12 by the total number of vested, but unpaid or undistributed, TAC Preferred Shares. For RSUs, value calculated by multiplying the total number of Common Shares issuable pursuant to RSUs that have not vested by the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation's most recently completed financial year), being \$2.86.
- (8) Assumes the Executive's resignation or termination is not in connection with a change of control of the Corporation.

Termination and Change of Control Under Stock Option Plan

If any participant of the Stock Option Plan (including the NEOs) ceases to hold the position or positions of officer, employee or consultant of the Corporation or any subsidiaries for any reason other than death or permanent disability, such participant's Options will terminate at 4:00 p.m. (Calgary time) on the earlier of the date of the expiration of the period in which an Option may be exercised and 90 days after the date such participant ceases to hold the position or positions of officer, employee or consultant of the Corporation or any subsidiaries.

In the event of a sale by the Corporation of all or substantially all of its assets or in the event of a change of control of the Corporation (as such term is defined in the Stock Option Plan), each participant of the Stock Option Plan, including NEOs, shall be entitled to exercise, in whole or in part, the Options granted to such participant under the Stock Option Plan, either during the term of the Option or within 90 days after the date of the sale or change of control, whichever first occurs. For details regarding the Stock Option Plan and the Amended Option Plan, see "*Incentive Plans – Stock Option Plan*".

Termination and Change of Control Under RSU Plan

If any participant of the RSU Plan (including the NEOs) ceases to hold the position or positions of director, officer, employee or consultant of the Corporation or any subsidiaries for any reason other than death or permanent disability, then all RSUs granted to such participant under the RSU Plan that have not yet vested within 90 days after the date such participant ceases to hold the position or positions of director, officer, employee or consultant of the Corporation or any subsidiaries, shall terminate without payment and shall be of no further force or effect. All grants of RSUs to US Taxpayers shall be deemed to adjust the 90 day term to 74 days.

In the event of a change of control (as such term is defined in the RSU Plan), all unvested RSUs shall become automatically vested. Common Shares issuable in respect of RSUs shall be, and shall be deemed to be, issued to participants effective immediately prior to the completion of the transaction which would result in the change of control unless issued prior thereto in accordance with the RSU Plan. For details regarding the RSU Plan and the PRSU Plan, see "*Incentive Plans – RSU Plan*".

Director Compensation

As at December 31, 2017, Tamarack had nine directors, only one of which was also an NEO, Mr. Brian Schmidt. After the meeting, Tamarack is expected to have eight directors.

Compensation of directors has been determined by the Board of Directors taking into consideration the size and stage of development of the Corporation and to achieve the objectives of retaining skilled, experienced and dedicated directors.

In 2018, the non-management directors of the Corporation will be paid a cash retainer in the amount of \$80,000 for the Chairman of the Board and \$50,000 for each other non-management director. The fixed annual retainer includes all services on the Board of Directors, committees and meeting attendances. Directors are also reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors. Messrs. MacKenzie and Price also hold TAC Preferred Shares. All directors are eligible to participate in the Stock Option Plan and the RSU Plan. Only Mr. Schmidt would be eligible to participate in the Amended Option Plan. All directors would be eligible to receive RSUs under the PRSU Plan, but only Mr. Schmidt would be eligible to receive PSUs under the PRSU Plan.

For further information on compensation paid to the non-management directors of the Corporation, see “*Director Compensation – Director Compensation Table*” below. For a description of the compensation paid to Brian Schmidt, a director and the President and Chief Executive Officer of the Corporation, see “*Summary Compensation Table*” above.

Director Compensation Table

The following table sets forth for the year ended December 31, 2017, information concerning the compensation paid to the Corporation’s directors other than Mr. Schmidt, who is also a Named Executive Officer.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
David MacKenzie	35,000	32,470	36,474	-	-	103,944
Floyd Price	50,000	40,345	46,240	-	-	136,585
Dean Setoguchi ⁽²⁾	35,000	32,470	36,474	-	-	103,944
Jeffrey Boyce	35,000	32,470	36,857	-	-	103,327
Noralee Bradley	35,000	32,470	18,647	-	-	86,117
John Leach ⁽³⁾	35,000	32,470	Nil	-	-	67,470
Ian Currie ⁽⁴⁾	26,250	20,096	Nil	-	-	46,346
Robert Spitzer ⁽⁵⁾	17,500	10,807	Nil	-	-	28,307

Notes:

- (1) These amounts represent the fair value of the Options on the grant date for a covered financial year. The 2017 fair values were determined using the Black-Scholes model based on the following assumptions: (i) an expected life of five years; (ii) average expected volatility of 80%; (iii) a weighted average risk-free interest rate of 1.02%; and (iv) zero dividend yield, and is consistent with IFRS 2 *Share-based Payment*. The Corporation has not incorporated an estimated forfeiture rate, rather it will account for actual forfeitures as they occur. Tamarack chose the Black-Scholes methodology because it is recognized as the most common methodology used for valuing incentive-based compensation and doing value comparisons.
- (2) Mr. Setoguchi will not stand for election at the Meeting.
- (3) Mr. Leach was appointed as a director of Tamarack on January 18, 2017 and thus his director fees in 2017 were prorated for a partial year.
- (4) Mr. Currie was appointed as a director of Tamarack on March 22, 2017 and thus his director fees in 2017 were prorated for a partial year.
- (5) Mr. Spitzer was appointed as a director of Tamarack on June 22, 2017 and thus his director fees in 2017 were prorated for a partial year.

Directors’ Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth for each of the Corporation’s directors, other than directors who are also currently Named Executive Officers, all share-based awards and option-based awards outstanding at the end of the year ended December 31, 2017.

Name	Option-based Awards				Share-based Awards⁽¹⁾		
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)⁽²⁾	Number of Common Shares that have not vested (#)	Market value of share- based awards that have not vested (\$)	Market value of vested share- based awards not paid out or distributed (\$)⁽³⁾
David MacKenzie	50,000	3.25	October 16, 2018	Nil	42,708	122,145	Nil
	67,000	6.82	August 13, 2019	Nil			
	35,000	2.75	December 18, 2020	2,567			

Name	Option-based Awards				Share-based Awards ⁽¹⁾		
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽²⁾	Number of Common Shares that have not vested (#)	Market value of share-based awards that have not vested (\$)	Market value of vested share-based awards not paid out or distributed (\$) ⁽³⁾
Floyd Price	60,000	3.25	October 16, 2018	Nil	49,884	142,668	Nil
	84,000	6.82	August 13, 2019	Nil			
	45,000	2.75	December 18, 2020	3,300			
Dean Setoguchi ⁽⁴⁾	50,000	3.25	October 16, 2018	Nil	42,708	122,145	Nil
	67,000	6.82	August 13, 2019	Nil			
	35,000	2.75	December 18, 2020	2,567			
Jeffrey Boyce	90,000	3.25	October 16, 2018	Nil	42,708	122,145	Nil
	65,000	6.82	August 13, 2019	Nil			
	35,000	2.75	December 18, 2020	2,567			
Noralee Bradley	10,000	3.25	October 16, 2018	Nil	42,708	122,145	Nil
	3,000	6.82	August 13, 2019	Nil			
	7,000	4.38	November 14, 2019	Nil			
	35,000	2.75	December 18, 2020	2,567			
John Leach	-	-	-	-	42,708	122,145	Nil
Ian Currie	-	-	-	-	39,783	113,779	Nil
Robert Spitzer	-	-	-	-	36,008	102,983	Nil

Notes:

- (1) Reflects TAC Preferred Shares issued to certain officers and directors of Tamarack in accordance with the Restructuring and which are exchangeable for Common Shares pursuant to the terms of the Exchange Agreement. On June 17, 2013, all remaining unvested TAC Preferred Shares vested. For further information, see “*Elements of the Corporation’s Executive Compensation Program – Long Term Incentive Compensation – TAC Preferred Shares and Exchange Agreement*”.
- (2) Value calculated by multiplying the difference between the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation’s most recently completed financial year), being \$2.86, and the Option exercise price by the total number of unexercised Options (including unvested Options).
- (3) Market value calculated by multiplying the difference between the closing price for the Common Shares on the TSX on December 29, 2017 (the last trading day in the Corporation’s most recently completed financial year), being \$2.86, and the TAC Preferred Share exercise price of \$3.12 by the total number of vested, but unpaid or undistributed, TAC Preferred Shares.
- (4) Mr. Setoguchi will not stand for election at the Meeting.

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

The Corporation does not have any non-equity incentive plan compensation or any outstanding option-based awards for directors and none of the share-based awards granted to any of Tamarack’s directors, other than directors who are also currently Named Executive Officers, were vested during the year ended December 31, 2017.

SCHEDULE “D”

AMENDED STOCK OPTION PLAN

TAMARACK VALLEY ENERGY LTD.

STOCK OPTION PLAN

Section 1 The Plan

A stock option plan (the “**Plan**”), pursuant to which options (“**Options**”) to purchase common shares, or such other shares as may be substituted therefor (“**Shares**”), in the capital of Tamarack Valley Energy Ltd. (the “**Corporation**”) may be granted to the officers and employees of the Corporation and any subsidiaries and to consultants retained by the Corporation and any subsidiaries, is hereby established on the terms and conditions set forth herein.

Section 2 Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the officers and employees of the Corporation and any subsidiaries and consultants retained by the Corporation and any subsidiaries to acquire Shares, thereby: (a) increasing the proprietary interests of such persons in the Corporation; (b) aligning the interests of such persons with the interests of the Corporation’s shareholders generally; (c) encouraging such persons to remain associated with the Corporation; and (d) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation and attracting new employees, officers and consultants.

Section 3 Administration

- (a) This Plan shall be administered by the board of directors of the Corporation (the “**Board**”).
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time), as it shall determine. In addition, the Board shall have the authority to: (i) construe and interpret this Plan and all option agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; (iii) make all other determinations necessary or advisable for the administration of this Plan; (iv) determine if the Shares that are subject to an Option will be subject to any restrictions upon the exercise of such Option and the nature of such restrictions, if any; and (v) making provision for a cashless exercise feature, payable in cash or securities as provided under Section 9(e). All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the President or any other officer of the Corporation. Whenever used herein, the term “Board” shall be deemed to include any committee or officer to whom the Board has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of this Plan pursuant to this Section 3.
- (d) Options granted hereunder shall be evidenced by (i) an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be in such form as the Board shall approve, or (ii) a written notice or other instrument, signed by the Corporation, setting forth the material attributes of the Options.

Section 4 Shares Subject to Plan

- (a) Subject to Section 15 below, the securities that may be acquired by Participants upon the exercise of Options shall consist of authorized but unissued Shares. Whenever used herein, the term “Shares” shall be deemed to include any other securities that may be acquired by a Participant upon the exercise of an Option the terms of which have been modified in accordance with Section 15 below.
- (b) The aggregate number of Shares reserved for issuance under this Plan shall not exceed 7% of the number of all of the then outstanding Shares, subject to the following limitations:
 - (i) the Board shall not grant Options under the Plan if the number of Shares issuable pursuant to outstanding Options, when combined with the number of Shares issuable pursuant to outstanding convertible securities under any other security-based compensation arrangements of the Corporation, would exceed 7% of the issued and outstanding Shares at the time of the grant;
 - (ii) the number of Shares reserved for issuance pursuant to Options granted to insiders under this Plan and any other security-based compensation arrangement of the Corporation, shall not exceed 7% of the issued and outstanding Shares (calculated on a non-diluted basis);
 - (iii) the number of Shares issued to insiders under this Plan and any other security-based compensation arrangement of the Corporation, within a twelve month period, shall not exceed 7% of the issued and outstanding Shares; and
 - (iv) the aggregate number of Shares reserved for issuance to any one insider under this Plan or any other security-based compensation arrangement of the Corporation, shall not exceed 3% of the total number of issued and outstanding Shares (calculated on a non-diluted basis) in any twelve month period.
- (c) For the purposes hereof, “security-based compensation arrangements” means any compensation mechanism involving the issuance or the potential issuance of securities of the Corporation from treasury.
- (d) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.
- (e) No fractional Shares may be purchased or issued under the Plan. No payment or other adjustment will be made with respect to any fractional Shares so disregarded.

Section 5 Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the Corporation’s obligations under all outstanding Options granted pursuant to this Plan.

Section 6 Eligibility and Participation

- (a) The Board may, in its discretion, select any of the following persons to participate in this Plan:
 - (i) officers of the Corporation or any of its subsidiaries;

- (ii) employees of the Corporation or any of its subsidiaries; and
- (iii) consultants retained by the Corporation or any of its subsidiaries, provided such consultants have performed and/or continue to perform services for the Corporation or any of its subsidiaries on an ongoing basis or are expected to provide a service of value to the Corporation or any of its subsidiaries

(any such person having been selected for participation in this Plan by the Board is herein referred to as a “**Participant**”). The Corporation represents that officers, employees and consultants granted Options under this Plan are bona fide officers, employees or consultants of the Corporation or any of its subsidiaries.

- (b) The Board may from time to time, in its discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein, provided that Options granted to any Participant shall be approved by the shareholders of the Corporation if the rules of any stock exchange on which the Shares are listed require such approval.

Section 7 Exercise Price

- (a) The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that such exercise price shall not be less than the market price. Disinterested shareholder approval will be obtained in accordance with the rules and policies of any stock exchange or exchanges on which the Shares are listed for any reductions in the exercise price if the Participant is an insider of the Corporation at the time of the proposed amendment.
- (b) For the purpose of this Plan:
 - (i) “market price” per Share means the volume weighted average trading price of the listed Shares, calculated by dividing the total value by the total volume of Shares traded for the relevant period on the TSX for the five trading days immediately preceding the relevant date (or, if the Shares are not then listed and posted for trading on the TSX, such price as required by such stock exchange on which such Shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Shares are not listed and posted for trading on any stock exchange, the market price shall be determined by the Board in its sole discretion, acting reasonably; and
 - (ii) “disinterested shareholder approval” means approval by a majority of the votes cast by all shareholders of the Corporation at a meeting of shareholders of the Corporation, excluding votes attaching to Shares beneficially owned by: (i) insiders to whom Options may be granted under this Plan; and (ii) associates (as defined in the policies of the TSX) of such insiders.

Section 8 Term

The period during which an Option may be exercised (the “**Option Period**”) shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole unfettered discretion at the time such Option is granted and Section 10, Section 11 and Section 16 below, provided that:

- (a) no Option shall be exercisable for a period exceeding five (5) years from the date the Option is granted unless otherwise specifically provided by the Board;

- (b) no Option in respect of which shareholder approval is required under the rules of any stock exchange or exchanges on which the Shares are then listed shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation; and
- (c) the Board may, subject to the receipt of any necessary regulatory approvals, in its sole discretion, without shareholder approval accelerate the time at which any Option may be exercised, in whole or in part or waive termination of any Option, based on such factors as the Board may determine.

Section 9 Method of Exercise of Option

- (a) Except as set forth in Section 10 and Section 11 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, an officer, employee or consultant of the Corporation.
- (b) Options that are otherwise exercisable in accordance with the terms thereof may be exercised in whole or in part from time to time.
- (c) Any Participant (or his or her legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of Calgary, Alberta:
 - (i) a written notice expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, certified cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares in respect of which the Option has been duly exercised.
- (e) In the event that certain events such as a merger, acquisition or similar transaction involving the Corporation are proposed or contemplated, and notwithstanding anything else contained herein, at or after the time that any Option could be exercised by a Participant, the Participant may elect to surrender, in whole or in part, his or her rights under any Option by written notice given to the Corporation stating that such Participant wishes to surrender his or her Option in exchange for a payment by the Corporation of a cash amount per optioned share equal to the difference (if positive) between the “current market price” of the Shares and the exercise price of the Option. For this purpose the “current market price” of the Shares shall be the volume weighted average price of the Shares on the TSX, or such stock exchange or exchanges on which the majority of the trading volume and value of the listed Shares occurs, for the five trading days immediately preceding the date of such surrender, provided that if the Shares are not then listed and posted for trading on any stock exchange in Canada, then it shall be the fair market value per Share as determined by the Board in its sole discretion. The Board has the sole discretion to consent to or disapprove of the election of the Participant to receive cash pursuant to this Section 9(e). If the Board disapproves of the election, the Participant may (i) exercise the Option under Section 9 (read without reference to Section 9(e)) or (ii) retract the request to exercise such Option.

Section 10 Ceasing to be an Officer, Employee or Consultant

Unless the Board otherwise determines on the date of grant of the Option, if any Participant shall cease to hold the position or positions of officer, employee or consultant of the Corporation or any subsidiaries (as the case may be) for any reason other than retirement, death or permanent disability, his or her Option will terminate at 4:00 p.m.

(Calgary time) on the earlier of the date of the expiration of the Option Period and 90 days after the date such Participant ceases to hold the position or positions of officer, employee or consultant of the Corporation or any subsidiaries, as the case may be, unless such Participant was an employee engaged in investor relation activities, in which case such Options will terminate at 4:00 p.m. (Calgary time) on the earlier of the date of the expiration of the Option Period and 30 days after the date such Participant ceases to hold the position of employee with the Corporation or any subsidiaries.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall: (a) confer upon such Participant any right to continue as an officer, employee or consultant of the Corporation or any subsidiaries, as the case may be; or (b) be construed as a guarantee that the Participant will continue as an officer, employee or consultant of the Corporation or any subsidiaries, as the case may be.

Section 11 Death or Permanent Disability of a Participant

In the event of the death or permanent disability of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period or until the expiration of 12 months after the date of death or permanent disability of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that he or she was entitled to exercise the Option as at the date of his or her death or permanent disability or within 12 months thereafter.

Section 12 Retirement

In the event of the retirement of a Participant, any Option previously granted to him shall be exercisable until the end of the Option Period shall continue to vest in accordance with the terms of such Options, except, at the discretion of the Board, for any Options which are granted to such Participant during the calendar year in which the Participant retires, all of which Options shall expire.

"retirement" means the retirement of a Participant who has greater than or equal to ten (10) years of service to the Company or its subsidiaries and is older than sixty (60) years of age or as otherwise approved by the Board.

Section 13 Rights of Participants

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

Section 14 Proceeds from Exercise of Options

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

Section 15 Adjustments

- (a) The number of Shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made to the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable

to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share that may be acquired upon the exercise of the Option.

- (b) Adjustments under this Section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued upon the exercise of an Option following the making of any such adjustment.

Section 16 Change of Control

Notwithstanding the provisions of Section 10 or any vesting restrictions otherwise applicable to the relevant Options, in the event that:

- (a) either: (i) a sale by the Corporation of all or substantially all of its assets occurs; or (ii) a change of control of the Corporation occurs; and
- (b) a Participant's service with the Corporation or any subsidiary is either:
 - (i) involuntarily terminated without cause; or
 - (ii) voluntarily terminated for good reason within one month prior to or 12 months following the date of the change of control,

each such Participant shall be entitled to exercise, in whole or in part, the Options granted to such Participant hereunder, either during the term of the Option or within 90 days after the date of the sale, change of control or termination, whichever first occurs.

For the purpose of this Plan:

- (a) "change of control" of the Corporation means and shall be deemed to have occurred upon:
 - (i) the acceptance by the holders of Shares of the Corporation, representing in the aggregate, more than 50 percent of all issued Shares of the Corporation, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares of the Corporation; or
 - (ii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares of the Corporation, which together with such person's then owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights to voting securities) more than 50 percent of the combined voting rights of the Corporation's then outstanding Shares; or
 - (iii) the entering into of any agreement by the Corporation to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; provided that no change of control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date; or
 - (iv) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets or wind-up the Corporation's business or significantly

rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and where the shareholdings remain substantially the same following the re-arrangement);

- (v) individuals who were members of the Board of the Corporation immediately prior to a meeting of the shareholders of the Corporation involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election;
 - (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) and referred to above; or
 - (vii) a determination by the Board, acting in good faith, that a change of control has occurred for the purpose of this clause.
 - (viii) For purposes of this Plan, the Board may, by resolution, clarify the date as of which a Change of Control shall be deemed to have occurred.
- (b) “cause” means any grounds at common law for which an employer is entitled to dismiss an employee without notice or pay in lieu of notice, and includes, without limitation, the following:
- (i) the Participant’s breach of a material term of his or her employment agreement or employment, as applicable;
 - (ii) the Participant’s repeated and demonstrated failure to perform the Participant’s material duties of his or her position in a competent manner;
 - (iii) the conviction of the Participant for a criminal offence involving fraud or dishonesty, or which otherwise adversely impacts the reputation of the Corporation;
 - (iv) the Participant’s wilful failure to act honestly and in the best interests of the Corporation;
 - (v) the Participant’s breach of his or her fiduciary duties, as applicable; or
 - (vi) any actions or omissions on the part of the Participant constituting gross misconduct or gross negligence resulting in material harm to the Corporation or which otherwise adversely impacts the reputation of the Corporation in a material nature;
- (c) “good reason” means that one or more of the following are undertaken by the Corporation, its subsidiaries or any successor to the Corporation without the Participant’s written consent:
- (i) the assignment to the Participant of any duties or responsibilities that results in a material diminution in the Participant’s position or function as in effect immediately prior to the date of a change of control;
 - (ii) a reduction, without the Participant’s written consent, by the Corporation, its subsidiaries or any successor to the Corporation in the Participant’s annual base salary or other remuneration, as in effect on the date of a change of control or as increased thereafter; or
 - (iii) any failure by the Corporation, its subsidiaries or any successor to the Corporation to continue in effect (or substantially replace in the aggregate) any material benefit plan or

program in which the Participant was participating immediately prior to the date of a change of control (hereinafter referred to as “Benefit Plans”), or the taking of any action by the Corporation, its subsidiaries or any successor to the Corporation that would adversely affect the Participant’s participation in or reduce the Participant’s benefits under the Benefit Plan.

Section 17 Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall be non-transferable and non-assignable unless specifically provided herein. During the lifetime of a Participant, any Options granted hereunder may only be exercised by the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant’s rights under the Option pass by the Participant’s will or applicable law.

Section 18 Amendment and Termination of Plan

- (a) Subject to Section 18(b) and Section 18(c) below and to the rules and policies of any stock exchange on which the Shares are listed and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, amend, suspend or terminate the Plan or awards granted hereunder for any purpose which, in the good faith opinion of the Board, may be expedient or desirable, including making such amendments to the Plan to comply with rules and policies of any stock exchange on which the Shares are listed.
- (b) Notwithstanding Section 18(a), the Board shall not alter or impair any rights or increase any obligations with respect to an Option previously granted under the Plan without the consent of the Participant.
- (c) Notwithstanding Section 18(a), none of the following amendments shall be made to this Plan or awards granted hereunder without approval of the TSX (to the extent the Corporation has any securities listed on such exchange) and disinterested shareholder approval:
 - (i) amendments to the Plan which would increase the number of securities issuable under the Plan otherwise than in accordance with the terms of this Plan;
 - (ii) amendments to the Plan which would increase the number of securities issuable to insiders otherwise than in accordance with the terms of this Plan;
 - (iii) amendments that would reduce the exercise price of an Option;
 - (iv) amendments that would extend the expiry date of an Option;
 - (v) the addition of any form of financial assistance to a Participant;
 - (vi) amendments to the restriction under Section 17 to permit a Participant to transfer any Options to a new beneficial holder other than for estate settlement purposes;
 - (vii) amendments to the Plan which allow for the grant of Options to non-employee directors; and
 - (viii) amendments to this Section 18.

Such amendments shall require the approval of the holders of the Corporation’s Shares by ordinary resolution.

Section 19 Necessary Approvals

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan and Options granted hereunder is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

Section 20 Stock Exchange Rules

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the stock exchange or exchanges on which the Shares are listed.

Section 21 Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

Section 22 Blackout Period and Exception

If the expiry date of any Option occurs during a Blackout Period (as defined herein) applicable to the relevant Participant, or within 10 business days after the expiry of a Blackout Period applicable to the relevant Participant, then the expiry date for the Option shall be the date that is the tenth business day after the expiry date of the Blackout Period (the “**Blackout Expiry Date**”). This section applies to all Options outstanding under this Plan. The Blackout Expiry Date for an Option may not be amended by the Board without the approval of the holders of the Shares in accordance with Section 18 of the Plan. For the purposes of this Plan, “Blackout Period” means the period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of an Option.

Section 23 Withholding Obligations

The Corporation shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of Options granted under the Plan. With respect to required withholding, the Corporation shall have the irrevocable right (and the Participant consents) to set off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Participant (whether arising pursuant to the Participant’s relationship as an officer, employee or consultant of the Corporation or any of its subsidiaries or otherwise), or may make such other arrangements satisfactory to the Participant and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the withholding obligation net of selling costs. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares.

Participants (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Corporation makes no guarantees to any person regarding the tax treatment of Options or payments made under the Plan and none of the Corporation, nor any of its employees or representatives shall have any liability to a Participant with respect thereto.

Section 24 Miscellaneous

- (a) Nothing contained in this Plan or in an Option shall be construed so as to prevent the Corporation from taking any corporate action deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Option, including, with respect to an Option previously granted, any adjustments to the exercise price, exercise period or number of Shares, provided that any such adjustment is required by any stock exchange, regulatory authority or applicable securities laws.
- (b) If any provision of this Plan is determined to be void, the remaining provisions shall be binding as though the void parts were deleted.

Section 25 Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Calgary, Alberta (Attention: The President); or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 26 Gender

Whenever used herein words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Section 27 Interpretation

This Plan will be governed by and construed in accordance with the laws of the Province of Alberta.

SCHEDULE “E”

PERFORMANCE AND RESTRICTED SHARE UNIT PLAN (SHARE SETTLED)

TAMARACK VALLEY ENERGY LTD.

ARTICLE 1 PURPOSE

1.1. Purpose

The purpose of this Performance and Restricted Share Unit Plan is to provide directors, officers, employees and consultants of Tamarack Valley Energy Ltd. with the opportunity to acquire Share Units (as defined below) to allow them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of the Company’s shareholders.

ARTICLE 2 INTERPRETATION

2.1. Definitions

For purposes of the Plan:

- (a) “**Adjustment Factor**” means the adjustment factor set out in the Award Notice for an award of Performance Share Units;
- (b) “**Applicable Withholding Amount**” is defined in Section 4.7(b);
- (c) “**Award Date**” means a date on which Restricted Share Units are awarded to a Participant in accordance with Section 4.1;
- (d) “**Award Market Value**” means either (i) the closing trading price of the Shares on the TSX for the trading day prior to the Award Date; or (ii) in the discretion of the Board, such price as may be determined by any mechanism for establishing the market value of the Shares approved by the Board and satisfactory to the TSX;
- (e) “**Award Notice**” means a notice substantially in the form of Schedule A, in the case of Restricted Share Units, and substantially in the form of Schedule B, in the case of Performance Share Units, and containing such other terms and conditions relating to an award of Share Units as the Board may prescribe;
- (f) “**Board**” means the board of directors of the Company or its delegate pursuant to Section 3.1(b);
- (g) “**Cause**” means any grounds at common law for which an employer is entitled to dismiss an employee without notice or pay in lieu of notice, and includes, without limitation, the following:
 - (i) the Participant’s breach of a material term of his or her employment agreement or employment, as applicable;
 - (ii) the Participant’s repeated and demonstrated failure to perform the Participant’s material duties of his or her position in a competent manner;

- (iii) the conviction of the Participant for a criminal offence involving fraud or dishonesty, or which otherwise adversely impacts the reputation of the Company;
 - (iv) the Participant's wilful failure to act honestly and in the best interests of the Company;
 - (v) the Participant's breach of his or her fiduciary duties, as applicable; or
 - (vi) any actions or omissions on the part of the Participant constituting gross misconduct or gross negligence resulting in material harm to the Company or which otherwise adversely impacts the reputation of the Company in a material nature;
- (h) **"Change of Control"** means and shall be deemed to have occurred upon the happening of any of the following events:
- (i) the acceptance by the holders of Shares, representing in aggregate, more than 50% of all issued Shares of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Shares; or
 - (ii) the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired) directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, if any, represent assuming the full exercise of such rights to voting securities) more than 50% of the combined voting rights of the Company's then outstanding Shares; or
 - (iii) the entering into of any agreement by the Company to merge, consolidate, amalgamate, initiate an arrangement or be absorbed by or into another corporation; provided that no change of control shall be deemed to have occurred if (A) the transaction contemplated by such agreement referred to herein is not completed; or (B) upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date; or
 - (iv) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation winding up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and where the shareholdings remain substantially the same following the re-arrangement); or
 - (v) individuals who were members of the Board immediately prior to a meeting of shareholders of the Company involving a contest for or an item of business relating to the election of directors, not constituting a majority of the Board following such election; or
 - (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) and referred to above; or
 - (vii) a determination by the Board, acting in good faith, that a change of control has occurred for the purpose of this clause.
 - (viii) For purposes of this Plan, the Board may, by resolution, clarify the date as of which a Change of Control shall be deemed to have occurred.

- (i) “**Change of Control Date**” means the date on which any Change of Control becomes effective;
- (j) “**Committee**” means the Corporate Governance and Compensation Committee of the Board or such other Committee of the Board as may be appointed by the Board to administer the Plan;
- (k) “**Company**” means Tamarack Valley Energy Ltd. and its successors and assigns;
- (l) “**Disabled**” and “**Disability**” mean the permanent and total incapacity of a Participant as determined by the Board for purposes of this Plan;
- (m) “**Distribution Date**” means the date determined in accordance with Sections 4.6 or 4.10, as applicable;
- (n) “**Dividend Equivalent**” means a bookkeeping entry whereby each Share Unit is credited with the equivalent amount of the dividend paid on a Share in accordance with Section 4.5;
- (o) “**Dividend Market Value**” means the volume weighted average trading price of the Shares on the TSX for the 5 trading days immediately following the dividend record date for the payment of any dividend made on the Shares;
- (p) “**Double Trigger Event**” has the meaning given thereto in Section 4.14;
- (q) “**Eligible Person**” means a Person entitled to receive Share Units in accordance with Section 3.3;
- (r) “**Exercise Notice**” mean a notice substantially in the form of Schedule C;
- (s) “**Final Date**” is defined in Section 4.6(a)(ii);
- (t) “**Good Reason**” means that one or more of the following are undertaken by the Corporation, its subsidiaries or any successor to the Corporation without the Participant’s written consent: (i) the assignment to the Participant of any duties or responsibilities that results in a material diminution in the Participant’s position or function as in effect immediately prior to the Change of Control Date; (ii) a reduction, without the Participant’s written consent, by the Corporation, its subsidiaries or any successor to the Corporation in the Participant’s annual base salary or other remuneration, as in effect on the Change of Control Date or as increased thereafter; or (iii) any failure by the Corporation, its subsidiaries or any successor to the Corporation to continue in effect (or substantially replace in the aggregate) any material benefit plan or program in which the Participant was participating immediately prior to the Change of Control Date (hereinafter referred to as “Benefit Plans”), or the taking of any action by the Corporation, its subsidiaries or any successor to the Corporation that would adversely affect the Participant’s participation in or reduce the Participant’s benefits under the Benefit Plan;
- (u) “**Insider**” has the meaning ascribed thereto in applicable securities legislation;
- (v) “**Non-Employee Director**” means a director of the Company who is not an officer or employee of the Company or a subsidiary;
- (w) “**Participant**” means an Eligible Person who has been awarded Share Units under the Plan or to whom Share Units have been transferred in accordance with the Plan;
- (x) “**Payment Shares**” is defined in Section 4.7(a);
- (y) “**Performance Measures**” means, for any period, the performance measures to be taken into consideration in granting PSUs and determining the Adjustment Factor in respect of any PSU;

- (z) “**Performance Share Unit**” or “**PSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with ARTICLE 4, based on the achievement of the performance criteria set out in the applicable Award Notice;
- (aa) “**Permitted Assign**” means, with respect to any Participant:
- (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the Participant,
 - (ii) a holding entity of the Participant,
 - (iii) a spouse of the Participant,
 - (iv) a trustee, custodian or administrator acting on behalf of, or for the benefit of, the spouse of the Participant, or
 - (v) a holding entity of the spouse of the Participant;
- (bb) “**Person**” means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, fund, organization or other group of organized persons, government, government regulatory authority, governmental department, agency, commission, board, tribunal, dispute settlement panel or body, bureau, court, and where the context requires any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;
- (cc) “**Plan**” means this Performance and Restricted Share Unit Plan as amended, restated, supplemented or otherwise modified from time to time;
- (dd) “**Retirement**” means the retirement of a Participant who has greater than or equal to ten (10) years of service to the Company or its subsidiaries and is older than sixty (60) years of age or as otherwise approved by the Board;
- (ee) “**Restricted Share Unit**” or “**RSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry on the books of the Company in accordance with Article 4;
- (ff) “**Settlement Market Value**” means the most recent closing price of the Shares on the TSX on the last trading day prior to the Distribution Date;
- (gg) “**Share**” means a common share of the Company or, in the event of an adjustment contemplated by Section 4.12, such number or type of securities as the Board may determine;
- (hh) “**Share Unit**” means a Performance Share Unit or a Restricted Share Unit, as applicable;
- (ii) “**TSX**” means the Toronto Stock Exchange; and
- (jj) “**U.S. Taxpayer**” means a Participant who is a U.S. citizen, U.S. permanent resident or U.S. tax resident for the purposes of the U.S. Internal Revenue Code (the “**Code**”) or a Participant for whom the award of Share Units under this Plan would otherwise be subject to U.S. taxation under the United States Internal Revenue Code. A Participant shall be considered a U.S. taxpayer solely to the extent such Participant’s Share Units are subject to U.S. taxation.

2.2. Certain Rules of Interpretation

- (a) Whenever the Board or, where applicable, the Committee or any sub-delegate of the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board or the Committee or the sub-delegate of the Committee, as the case may be.
- (b) As used herein, the terms “Article” and “Section” mean and refer to the specified Article or Section of this Plan.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, all references to money amounts are to Canadian currency.

ARTICLE 3 ADMINISTRATION

3.1. Administration of the Plan

- (a) This Plan shall be administered by the Board. The Board shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board shall be binding and conclusive upon the Company and on all Eligible Persons, Participants, Permitted Assigns and all other Persons.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to the Committee, on such terms as it considers appropriate, all or any of the powers, duties and functions relating to the granting of Share Units and the administration of the Plan, including the power to sub-delegate, to the extent permitted by applicable law, to any specified officer of the Company all or any of the powers delegated to the Committee. Any decision made or action taken by the Committee or the specified officer arising out of or in connection with the administration or interpretation of this Plan in this context is final, binding and conclusive on the Company, the Participants and all other Persons.

3.2. Determination of Value if Shares Not Publicly Traded

If the Shares are not publicly traded on the TSX or any other stock exchange at the relevant time such that the Award Market Value, the Dividend Market Value and/or the Settlement Market Value cannot be determined in accordance herein, such value shall be determined by the Board acting in good faith.

3.3. Eligibility

Share Units shall be granted only to persons (“**Eligible Person**”) who are director, officers, employees, or consultants of the Company as the Board determines should receive Share Units in accordance with the applicable laws and the policies and rules of the TSX. Notwithstanding the foregoing, directors are not eligible to be awarded PSUs and are only eligible to be awarded RSUs under the Plan.

The Board reserves the right to restrict eligibility or otherwise limit the number of Persons eligible for participation in the Plan at any time. Eligibility to participate does not confer upon any individual a right to receive an award of Share Units pursuant to the Plan.

3.4. Total Shares Subject to Share Units

Unless otherwise approved by the TSX (or such other exchanges on which the Shares may be listed from time to time) and the shareholders of the Company:

- (a) the securities that may be issued to Participants pursuant to this Plan shall consist of those authorized but unissued Shares which the Board and/or Committee has, in its discretion, reserved and approved for issuance under the Plan from time to time;
- (b) subject to Section 4.12, the aggregate number of Shares that may be issued pursuant to the Plan shall not exceed 7% of the issued and outstanding Shares at the time of grant;
- (c) the Board shall not grant Share Units under the Plan if the number of Shares issuable pursuant to outstanding Share Units, when combined with the number of Shares issuable pursuant to outstanding stock options granted under the Company's Stock Option Plan and outstanding convertible securities under any other security-based compensation arrangements of the Company, would exceed 7% of the issued and outstanding Shares at the time of the grant;
- (d) the number of securities issuable to Insiders of the Company, at any time, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 7% of the issued and outstanding securities of the Company calculated on a non-diluted basis;
- (e) the number of securities issued to Insiders, within any one year period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 7% of the issued and outstanding securities of the Company calculated on a non-diluted basis;
- (f) the number of Shares issued to any one Insider and such Insider's associates, within any one year period, under all security based compensation arrangements including, without limitation, this Plan, shall not exceed 3% of the issued and outstanding securities of the Company calculated on a non-diluted basis, provided that if the acquisition of Shares by the Company for cancellation should result in such tests no longer being met, this shall not constitute non-compliance with this Section 3.4 for any awards outstanding prior to such purchase of Shares for cancellation. For the purposes hereof, "security based compensation arrangements" means any compensation mechanism involving the issuance or the potential issuance of securities of the Company from treasury;
- (g) the aggregate value of RSUs granted to any one Non-Employee Director in any calendar year under the Plan and under any other security based compensation arrangements shall not exceed \$150,000; and
- (h) to the extent Share Units are not exercised or to the extent any Share Units are terminated for any reason or are cancelled, the Shares subject to such Share Units shall be added back to the number of Shares reserved for issuance under the Plan and such Shares will again become available for Share Unit grants under the Plan.

For purposes of the calculations in this Section 3.4 only, it shall be assumed that all issued and outstanding Share Units will be settled by the issuance of Shares from treasury, notwithstanding the Corporation's right pursuant to Section 4.13 to settle Share Units by purchasing Shares on the open market.

3.5. Participant's Agreement to be Bound

- (a) Participation in the Plan is entirely voluntary and is at the discretion of the Eligible Person, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. Should any Eligible Person elect to

participate in the Plan by electing to receive Share Units through delivery of an acknowledgement in the manner specified in Section 3.5(b) or otherwise, such acknowledgement shall be construed as acceptance by the Eligible Person, of the terms and conditions of the Plan, and all rules and procedures adopted hereunder, as amended, assigned or assumed from time to time in accordance with the terms hereof.

- (b) In order to participate in the Plan, an Eligible Person shall acknowledge each Award Notice and such other matters as deemed necessary by the Committee, in its sole discretion, including those matters specified in Schedule A or Schedule B, as applicable, by delivering their countersigned acknowledgement on the Award Notice within 15 days of the delivery of an Award Notice. If such acknowledgement is not so delivered within the time specified in this Section 3.5(b), the Company shall not credit any Share Units to the Participant's account, unless waived by the Committee, in its sole discretion.

ARTICLE 4 AWARD OF SHARE UNITS

4.1. Award of Share Units

Subject to the provisions of the Plan and such other terms and conditions as the Committee or the Board may prescribe, the Committee may, from time to time grant Share Units to any Eligible Person. Upon receipt of an acknowledgement in the manner specified in Section 3.5, Share Units shall be credited to an account maintained for each Participant on the books of the Corporation, effective as of the Award Date for that grant. The number of Share Units (including fractional Share Units) to be credited as of the Award Date shall be determined by the Committee in its sole discretion.

4.2. Vesting Period

Each Share Unit will vest on such terms as shall be specified by the Board or Committee at the time of granting an award of Share Units as reflected in the Award Notice, except as otherwise provided in this Plan.

4.3. Performance Vesting

- (a) Prior to the Distribution Date in respect of any PSU, the Board or Committee shall assess the performance of the Corporation for the applicable period. The weighting of the individual measures comprising the Performance Measures shall be determined by the Board or Committee, as applicable, in its sole discretion having regard to the principal purposes of the Plan and, upon the assessment of all Performance Measures, the Board or Committee shall determine the Adjustment Factor for the applicable period in its sole discretion. The applicable Adjustment Factor may be between a minimum of zero and such maximum as determined by the Board or Committee (provided such maximum shall not exceed 2.0).
- (b) The number of PSUs which vest on a vesting date specified in an Award Notice is the number of PSUs scheduled to vest on such date multiplied by the Adjustment Factor.

4.4. Award Notice

All awards of Share Units under Section 4.1 will be evidenced by an Award Notice. Such Award Notice will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Board or Committee may direct. Any one officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Award Notice to a Participant once the Board or Committee has approved the grant of Share Units to that particular Eligible Person.

4.5. Credits for Dividends

In the event that the Company pays a normal cash dividend in accordance with its dividend policy on the Shares, a Participant's account shall be credited with Dividend Equivalents in the form of additional Share Units as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of Share Units recorded in the Participant's account on the record date for the payment of such dividend, by (b) the Dividend Market Value, with fractions computed to three decimal places. Any additional Share Units resulting from such Dividend Equivalents shall have the same vesting schedule, Distribution Date and other terms as the Share Units to which they relate. The foregoing does not obligate the Company to pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

4.6. Distribution Date Election

- (a) Subject to Sections 4.6(b), 4.9, 4.10 and 4.11, a Participant who is not a U.S. Taxpayer shall have the right to elect to exercise any vested Share Units recorded in the Participant's account by delivering to the Company an Exercise Notice specifying a date for distribution of Shares in settlement of such Share Units ("**Distribution Date**"), such date to be set out by the Participant in the Exercise Notice; provided that such date shall not be later than the earlier of:
 - (i) the thirtieth day after the Participant ceases to be eligible to participate under the Plan; or
 - (ii) December 15th of the year in which such Share Units became vested,

(the "**Final Date**").
- (b) In the event a Participant fails to deliver a timely Exercise Notice pursuant to Section 4.6(a) or specifies a Distribution Date in an Exercise Notice which is later than the Final Date, the Distribution Date shall be deemed to be the Final Date.
- (c) A Participant who is not a U.S. Taxpayer shall be entitled to elect in the Exercise Notice delivered to the Company in accordance with Section 4.6(a) hereof, for all of such Participant's Share Units to be settled in exchange for a payment by the Company of a cash amount per Share Unit equal to the Settlement Market Value of the Payment Shares on the Distribution Date, net of applicable withholding tax, provided that such Distribution Date shall not be later than the Final Date. The Company has the sole discretion to consent or refuse the election of the Participant to receive cash pursuant to this Section 4.6(c). If the Company refuses the election, the Share Units shall be satisfied in accordance with the manner described in Section 4.7.
- (d) Notwithstanding anything to the contrary in this Section, with respect to any Share Units awarded to a Participant who is a U.S. Taxpayer, the Distribution Date shall be the applicable vesting date set out in the applicable Award Notice. No Exercise Notice or election of alternative Distribution Date shall be permitted for U.S. Taxpayers.

4.7. Distribution of Shares

- (a) Subject to any election received and accepted by the Company pursuant to Section 4.6(c), as soon as practicable after each Distribution Date or on the Final Date (if the Distribution Date is the Final Date), the Company shall issue to the Participant or, if Section 4.10 applies, to the Participant's estate, a number of Shares equal to the number of Share Units in the Participant's account that became payable on the Distribution Date (the "**Payment Shares**"). As of the Distribution Date, the Share Units in respect of which such Shares are issued shall be cancelled and no further payments shall be made to the Participant under the Plan in relation to such Share Units.

- (b) As a condition to the issue of Shares in payment of any Share Units, the Company may require that the Participant (i) pay to the Company such amount as the Company is obligated to remit to the relevant taxing authority in respect of the issuance of the Shares in payment of the Share Units (the “**Applicable Withholding Amount**”); (ii) withhold the Applicable Withholding Amount from any remuneration or other amount otherwise payable by the Company to the Participant; (iii) require a sale of a number of Shares issued upon payment of the Share Units and the remittance to the Company of the net proceeds from such sale sufficient to satisfy the Applicable Withholding Amount; or (iv) enter into any other arrangements suitable to the Company to enable the Company to satisfy the Applicable Withholding Amount, including any combination of the foregoing. Following receipt of the Exercise Notice from the Participant, the Company shall advise the Participant in writing of any Applicable Withholding Amount required in connection with the issue of Shares in settlement of the Share Units.

4.8. Resignation or Termination

Notwithstanding Sections 4.6 and 4.7, and subject to any written resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries (as the case may be) for any reason other than death or Disability, then all Share Units granted to the Participant under the Plan that have not yet vested within 90 days after the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries as the case may be, shall terminate without payment and shall be of no further force or effect. All grants of Share Units to US Taxpayers shall be deemed to adjust the 90 day term specified herein to 74 days.

4.9. Disability

Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries (as the case may be) by reason of Disability, any vested Share Units held by such Participant under the Plan at the date such Participant ceases to hold the position or positions of director, officer, employee or consultant of the Company or any subsidiaries as the case may be, shall be automatically settled and the Distribution Date shall be the 90th day after such date and all unvested Share Units shall terminate without payment and shall be of no further force or effect.

4.10. Retirement

- (a) Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position or positions of officer or employee of the Company or any subsidiaries (as the case may be) by reason of Retirement, any Share Units held by such Participant under the Plan at the date such Participant ceases to hold the position or positions of officer or employee of the Company or any subsidiaries (as the case may be), shall continue to vest in the manner set forth in the applicable Award Notice for such Share Units, except, at the discretion of the Board, for any Share Units which are awarded to such officer or employee during the calendar year in which the officer or employee retires, all of which Share Units shall expire.
- (b) Subject to any express resolution passed by the Board or Committee, if any Participant shall cease to hold the position of director of the Company or any subsidiaries (as the case may be) by reason of Retirement, any RSUs held by such Participant under the Plan at the date such Participant ceases to hold the position of director of the Company or any subsidiaries (as the case may be), shall continue to vest in the manner set forth in the applicable Award Notice for such RSUs, except, at the discretion of the Board, for any RSUs which are awarded to such director during the calendar year in which the director retires, all of which RSUs shall expire.

4.11. Death of Participant Prior to Distribution

Notwithstanding Sections 4.6 and 4.7 of the Plan, but subject to any express resolution passed by the Board or Committee, upon the death of a Participant, any vested Share Units held by such Participant or any Share Units which shall vest within one year after the death of the Participant under the Plan shall be automatically settled and the Distribution Date shall be within one year after the death of the Participant and all other unvested Share Units shall terminate without payment and shall be of no further force or effect.

4.12. Adjustments to Share Units

In the event of any subdivision, consolidation, stock dividend, capital reorganization, reclassification, exchange, or other change with respect to the Shares, or a consolidation, amalgamation, merger, spin-off, sale, lease or exchange of all or substantially all of the property of the Company or other distribution of the Company's assets to shareholders (other than the payment of dividends in respect of the Shares as contemplated by Section 4.5), the account of each Participant and the Share Units outstanding under the Plan shall be adjusted in such manner, if any, as the Board may in its discretion, subject to approval by the TSX, deem appropriate to preserve, proportionally, the interests of Participants under the Plan.

4.13. Settlement of Share Units

On the Distribution Date, the Board or Committee, as applicable, in its sole discretion, shall have the option of settling the Shares issuable in respect of Share Units by either or both of the following methods: (a) settlement in Shares acquired by the Corporation on the TSX; or (b) the issuance of Shares from the treasury of the Corporation.

4.14. Change of Control and Termination

(a) Unless otherwise determined by the Board in its sole discretion, in the event:

(i) a Change of Control occurs; and

(ii) a Participant's service with the Corporation or any subsidiary is either:

(A) involuntarily terminated without Cause; or

(B) voluntarily terminated for good reason within 1 month prior to or 12 months following the change of control date

(each, a "**Double Trigger Event**"),

all unvested Share Units shall become automatically vested and the Performance Measures shall take into account, in determination of any Adjustment Factor in respect of any Performance Share Units, the period up to and including the Change of Control.

(c) Unless otherwise determined by the Board in its sole discretion, upon a Change of Control, all unvested RSUs held by directors shall become automatically vested.

(a) Shares issuable in respect of Share Units shall be, and shall be deemed to be, issued to Participants effective immediately prior to the completion of the transaction which would result in the Change of Control unless issued prior thereto in accordance with this Plan.

4.15. Discretion to Permit Vesting

Notwithstanding the provisions of Section 4.2, 4.8, 4.9, 4.10 and 4.11, the Board may, in its sole discretion, at any time prior to or following the events contemplated in such Sections, permit the vesting of any or all Share Units held

by a Participant and the issuance of the Payment Shares in respect of such Share Units in the manner and on the terms authorized by the Board, provided that the Board will not, in any case, authorize the vesting of a Share Unit or the issuance of a Payment Share pursuant to this Section beyond the Final Date applicable to the particular Share Unit.

4.16. Black-Out Periods

Subject to the rules and regulations of any exchange on which the Shares are listed for trading, notwithstanding any other provisions of this Plan, if the Distribution Date of any Share Unit occurs during or within 10 business days following the end of a Black-Out Period (as defined below), the Distribution Date of such Share Unit shall be extended for a period of 10 business days following the end of the Black-Out Period (or such longer period as permitted by the TSX or other exchange on which the Shares are listed and approved by the Board). “Black-Out Period” means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any holder of a Share Unit.

ARTICLE 5 GENERAL

5.1. Amendment, Suspension, or Termination of Plan

- (a) Subject to Sections 5.1(b) and 5.1(c) below and to the rules and policies of any stock exchange on which the Shares are listed and applicable law, the Board may, without notice or shareholder approval, at any time or from time to time, amend, suspend or terminate the Plan or awards granted hereunder for any purpose which, in the good faith opinion of the Board, may be expedient or desirable, including making such amendments to the Plan to comply with rules and policies of any stock exchange on which the Shares are listed.
- (b) Notwithstanding Section 5.1(a) but subject to 5.1(f), the Board shall not alter or impair any rights or increase any obligations with respect to a Share Unit previously granted under the Plan without the consent of the Participant.
- (c) Notwithstanding Section 5.1(a), none of the following amendments shall be made to this Plan or awards granted hereunder without approval of the TSX (to the extent the Company has any securities listed on such exchange) and the approval of shareholders:
 - (i) amendments to the Plan which would increase the number of securities issuable under the Plan otherwise than in accordance with the terms of this Plan;
 - (ii) amendments to the Plan which would increase the number of securities issuable to Insiders otherwise than in accordance with the terms of this Plan;
 - (iii) amendments that would extend the Distribution Date of any Share Units held by Insiders beyond the original Final Date of the Share Units;
 - (iv) amendments that would reduce the Award Market Value of any Share Units held by Insiders otherwise than in accordance with the terms of this Plan;
 - (v) the addition of any form of financial assistance to a Participant;
 - (vi) amendments to the restriction under Section 5.5 to permit a Participant to transfer any Share Units to a new beneficial holder other than for estate settlement purposes;
 - (vii) amendments to the limitations under Section 3.4(i) with respect to RSUs that may be granted to Non-Employee Directors; and

(viii) amendments to this Section 5.1.

Such amendments shall require the approval of the holders of the Company's Shares by ordinary resolution.

- (d) If the Board terminates or suspends the Plan, no new Share Units will be credited to the account of a Participant. Previously credited Share Units whether or not vested, may, at the Board's election, be accelerated (if unvested) and/or Shares issuable in respect of such Share Unit may be distributed to Participants or may remain outstanding. In the event that a Share Unit remains outstanding following a suspension or termination of the Plan, such Share Unit shall not be entitled to Dividend Equivalents unless at the time of termination or suspension the Board determines that the entitlement to Dividend Equivalents after termination or during suspension, as applicable, should be continued.
- (e) The Board shall not require the consent of any affected Participant in connection with a termination of the Plan in which the vesting of all Share Units held by the Participant are accelerated and the Payment Shares are issued to the Participant in respect of all such Share Units.
- (f) The Plan will terminate on the date upon which no further Share Units remain outstanding.

5.2. Compliance with Laws/U.S. Tax Matters

The administration of the Plan shall be subject to and made in conformity with all applicable laws and any regulations of a duly constituted regulatory authority. If at any time the Board determines that the listing, registration or qualification of the Shares subject to the Share Unit upon any securities exchange or under any provincial, state, federal or other applicable law, or the consent or approval of any governmental body, securities exchange, or the holders of the Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Share Units or the issue of Shares thereunder, no such Share Unit may be awarded or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Board.

The Share Units awarded to Participants who are U.S. Taxpayers are intended to be exempt from Section 409A of the United States Internal Revenue Code and the provisions of this Plan shall be interpreted consistent with that intent.

5.3. Reorganization of the Company

The existence of any Share Units shall not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

5.4. Assignment

Rights and obligations under the Plan may be assigned by the Company to a successor in the business of the Company, any company resulting from any amalgamation, reorganization, combination, merger or arrangement of the Company, or any company acquiring all or substantially all of the assets or business of the Company.

5.5. Units Non-Transferable

Share Units are non-transferable except to a Permitted Assign. Certificates representing Share Units will not be issued by the Company.

5.6. Participation to be Determined by Board; No Additional Rights

The participation of any Participant in the Plan shall be determined by resolution of the Board. Nothing in this Plan shall be construed to provide the Participant with any rights whatsoever to participate or to continue participation in this Plan, or to compensation or damages in lieu of participation. The Company does not assume responsibility for the personal income tax liability or other tax consequences for the Participants and they are advised to consult with their own tax advisors.

5.7. No Shareholder Rights

Under no circumstances shall Share Units be considered Shares or other securities of the Company, nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, nor shall any Participant be considered the owner of Shares by virtue of the award of Share Units. A Participant will acquire rights to Shares in respect of Share Units only upon the allotment and issuance to the Participant of certificates representing such Shares.

5.8. Fractions

No fractional Share will be issued pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under this Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.

5.9. Unfunded and Unsecured Plan

Unless otherwise determined by the Board, the Plan shall be unfunded and the Company will not secure its obligations under the Plan. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Share Units under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Company.

5.10. Market Fluctuations

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company makes no representations or warranties to Participants with respect to the Plan or the Shares whatsoever. In seeking the benefits of participation in the Plan, a Participant agrees to accept all risks associated with a decline in the market price of Shares.

5.11. Participant Information

Each Participant shall provide the Company with all information (including personal information) required by the Company in order to administer to the Plan. Each Participant acknowledges that information required by the Company in order to administer the Plan may be disclosed to other third parties in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Company to make such disclosure on the Participant's behalf.

5.12. Indemnification

Every director of the Company will at all times be indemnified and saved harmless by the Company from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such

indemnification, that such director may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the director, otherwise than by the Company, for or in respect of any act done or omitted by the director in respect of administering this Plan, such costs, charges and expenses to include any amount paid to settle such action, suit or proceeding or in satisfaction of any judgment rendered therein.

5.13. Effective Date of the Plan

The Plan shall be effective as of June 2, 2014, as amended and restated effective as of ●, 2018.

5.14. Governing Law

The Plan shall be governed by, and interpreted in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, without regard to principles of conflict of laws.

SCHEDULE A
FORM OF AWARD NOTICE FOR RESTRICTED SHARE UNITS

The Company hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Notice (“**Notice**”), together with the provisions of the Performance and Restricted Share Unit Plan of the Company (the “**Plan**”):

Name and Address of Participant: _____

Participant IS [] / IS NOT [] (**select one**) a U.S. Taxpayer (as defined in the Plan).

Date of Grant: _____

Total Number of RSUs: _____

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. The Participant acknowledges and agrees that he or she has received the Plan and has read and understands the terms of the Plan and agrees to be bound by the terms and conditions of the Plan and the Award Notice. If the agreement and acknowledgement by the Participant at the end of this Award Notice is not received by the Company within 15 days of the delivery of this Award Notice, the Company shall not credit any RSUs to the Participant’s account, unless waived by the Committee, in its sole discretion.
3. Subject to any acceleration in vesting as provided in the Plan, each RSU vests as follows:

4. No fractional Share will be issued upon exercise of a vested RSU pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under the Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.
5. Each notice relating to an award of RSUs, including the acknowledgement in this Award Notice, must be in writing and signed by the Participant or the Participant’s legal representative. All notices to the Company must be delivered to the Chief Financial Officer of the Company. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.
6. When the issuance of Shares upon the vesting of RSUs may, in the opinion of the Company, conflict or be inconsistent with any applicable law or any regulations of any regulatory authority having jurisdiction, the Company reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding.
7. As a condition to settling the RSUs in accordance with the Plan, the Company has the right to withhold all applicable taxes. The Company does not assume responsibility for the personal income or other tax consequences of the Participant and has advised the Participant to consult with its own tax advisor.

8. Participant's rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents or documentation that the Committee may determine to be necessary or advisable to administer the Plan.
9. The Company may affix to certificates for Shares issued pursuant to this Award Notice any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws) and may advise the transfer agent to place a stop order against any legended Shares.
10. The Committee shall have full discretion with respect to any actions to be taken or determinations to be made in connection with RSUs under this Award Notice, and its determination shall be final, binding and conclusive.

Tamarack Valley Energy Ltd.

By: _____
Authorized Signatory

Agreed to and Acknowledged by the Participant, this ___ day of _____, _____.

Name: **[Insert name of Participant]**

SCHEDULE B

FORM OF AWARD NOTICE FOR PERFORMANCE SHARE UNITS

The Company hereby grants the following award to the Participant named below in accordance with and subject to the terms, conditions and restrictions of this Award Notice (“**Notice**”), together with the provisions of the Performance and Restricted Share Unit Plan of the Company (the “**Plan**”):

Name and Address of Participant: _____

Participant IS [] / IS NOT [] (**select one**) a U.S. Taxpayer (as defined in the Plan).

Date of Grant: _____

Total Number of PSUs: _____

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Notice and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. The Participant acknowledges and agrees that he or she has received the Plan and has read and understands the terms of the Plan and agrees to be bound by the terms and conditions of the Plan and the Award Notice. If the agreement and acknowledgement by the Participant at the end of this Award Notice is not received by the Company within 15 days of the delivery of this Award Notice, the Company shall not credit any PSUs to the Participant’s account, unless waived by the Committee, in its sole discretion.
3. Subject to any acceleration in vesting as provided in the Plan, each PSU vests as follows:

4. The Adjustment Factor for the PSUs is determined as follows:

[INSERT TABLE WITH PERFORMANCE MEASURES AND THRESHOLD, TARGET AND MAXIMUM PERFORMANCE LEVELS]

The Adjustment Factor for performance between the numbers set out above is interpolated on a straight line basis.

5. No fractional Share will be issued upon exercise of a vested PSU pursuant to an award granted hereunder. The number of Shares issuable upon payment of any award granted under the Plan will be rounded down to the nearest whole number of Shares. No payment or other adjustment will be made with respect to the fractional Share so disregarded.
6. Each notice relating to an award of PSUs, including the acknowledgement in this Award Notice, must be in writing and signed by the Participant or the Participant’s legal representative. All notices to the Company must be delivered to the Chief Financial Officer of the Company. Any notice given by either the Participant or the Company is not binding on the recipient thereof until received.
7. When the issuance of Shares upon the vesting of PSUs may, in the opinion of the Company, conflict or be inconsistent with any applicable law or any regulations of any regulatory authority having jurisdiction, the

Company reserves the right to refuse to issue such Shares for so long as such conflict or inconsistency remains outstanding.

8. As a condition to settling the PSUs in accordance with the Plan, the Company has the right to withhold all applicable taxes. The Company does not assume responsibility for the personal income or other tax consequences of the Participant and has advised the Participant to consult with its own tax advisor.
9. Participant's rights in respect of the PSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents or documentation that the Committee may determine to be necessary or advisable to administer the Plan.
10. The Company may affix to certificates for Shares issued pursuant to this Award Notice any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws) and may advise the transfer agent to place a stop order against any legended Shares.
11. The Committee shall have full discretion with respect to any actions to be taken or determinations to be made in connection with PSUs under this Award Notice, and its determination shall be final, binding and conclusive.

Tamarack Valley Energy Ltd.

By: _____
Authorized Signatory

Agreed to and Acknowledged by the Participant, this ___ day of _____, _____.

Name: **[Insert name of Participant]**

SCHEDULE C

PERFORMANCE AND RESTRICTED SHARE UNIT PLAN

EXERCISE NOTICE

To: Tamarack Valley Energy Ltd. (the “**Company**”)

Pursuant to the Company’s Performance and Restricted Share Unit Plan (the “**Plan**”), the undersigned hereby elects to redeem:

- _____ of the undersigned’s Performance Share Units; and
- _____ of the undersigned’s Restricted Share Units

on this ___ day of _____, _____,

to be settled, net of applicable withholding tax, in (initial beside applicable category)

Shares _____

Cash _____

and the undersigned hereby notifies the Company that it is requesting the Distribution Date to be _____, 20____.

All capitalized terms not defined in this Exercise Notice have the meaning set out in the Plan.

No cash or other compensation shall at any time be paid in respect of any Share Units which have been forfeited or terminated under the Plan or on account of damages relating to any Share Units which have been forfeited or terminated under the Plan.

The undersigned understands and agrees that the granting and redemption of these Share Units are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Exercise Notice.

Name: **[Insert name of Participant]**