

# **BIRCHCLIFF**

## **E N E R G Y**

**BIRCHCLIFF ENERGY LTD.**

**Annual Meeting of Shareholders**

**to be held at**

**3:00 p.m. (Mountain Daylight Time) on Thursday, May 12, 2022  
in the McMurray Room at the Calgary Petroleum Club  
319 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta**

---

**NOTICE OF MEETING AND INFORMATION CIRCULAR**

---

**March 28, 2022**

# BIRCHCLIFF

## ENERGY

BIRCHCLIFF ENERGY LTD.

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Birchcliff Energy Ltd. (the “**Corporation**”) will be held at 3:00 p.m. (Mountain Daylight Time) on Thursday, May 12, 2022 in the McMurray Room at the Calgary Petroleum Club, 319 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, for the following purposes:

1. to receive the annual audited financial statements of the Corporation for the financial year ended December 31, 2021 and the auditors’ report thereon;
2. to fix the number of directors of the Corporation to be elected at the Meeting at five;
3. to elect the directors of the Corporation;
4. to appoint the auditors of the Corporation and to authorize the board of directors of the Corporation to fix their remuneration as such; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the information circular accompanying this notice.

As a result of the continuing uncertainty relating to the COVID-19 pandemic, the Corporation will continue to monitor provincial and federal governmental guidance and, where necessary, will implement measures to protect its Shareholders, employees and the community. At this time, the Corporation intends to hold an in-person Meeting, however, if changes to the Meeting are required, including an adjournment or postponement, the Corporation will provide an update by way of news release as promptly as practicable. Shareholders are encouraged to monitor the Corporation’s website at [www.birchcliffenergy.com](http://www.birchcliffenergy.com) or the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com), where copies of such news releases, if any, will be posted.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Registered Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed form of proxy must be dated, signed and deposited with the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada, Attention: Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Registered Shareholders may also use the internet at [www.investorvote.com](http://www.investorvote.com) or the telephone at 1-866-732-8683 to vote their Common Shares. Registered Shareholders voting through the internet or by telephone will be prompted to enter the 15-digit control number found on the form of proxy. In order to be valid and acted upon at the Meeting, proxies and votes must be received by Computershare Trust Company of Canada no later than 3:00 p.m. (Mountain Daylight Time) on Tuesday, May 10, 2022, or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed Meeting.**

Only Shareholders of record as of the close of business on March 23, 2022 (the “**Record Date**”) are entitled to receive notice of and to vote at the Meeting, provided that if a Shareholder has transferred the ownership of any of his or

her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of Shareholders before the Meeting, then the transferee shall be entitled to vote such Common Shares at the Meeting.

**DATED** at the City of Calgary, in the Province of Alberta, this 28<sup>th</sup> day of March, 2022.

**BY ORDER OF THE BOARD OF DIRECTORS**

(signed) "*A. Jeffery Tonken*"

Chief Executive Officer and Chairman of the Board of Directors

## TABLE OF CONTENTS

<b>GENERAL PROXY AND VOTING INFORMATION .....</b>	<b>1</b>
Solicitation of Proxies .....	1
Conventions.....	1
Appointment of Proxies .....	1
Revocation of Proxies.....	2
Exercise of Discretion with Respect to Proxies .....	2
Information for Beneficial Shareholders .....	2
Notice-and-Access .....	3
Voting Securities and Principal Holders of Voting Securities .....	4
<b>INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON .....</b>	<b>4</b>
<b>BUSINESS OF THE MEETING .....</b>	<b>5</b>
Financial Statements .....	5
Fixing Number of Directors .....	5
Election of Directors.....	5
Appointment of Auditors .....	9
Other Business .....	10
<b>EXECUTIVE COMPENSATION .....</b>	<b>10</b>
2021 Year in Review .....	10
Compensation Discussion and Analysis.....	10
Performance Graph .....	20
Summary Compensation for Named Executive Officers .....	21
Incentive Plan Awards .....	23
Pension Plan Benefits .....	24
Termination and Change of Control Benefits.....	25
<b>DIRECTOR COMPENSATION .....</b>	<b>27</b>
Summary Compensation for Directors .....	27
Incentive Plan Awards .....	28
<b>SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS .....</b>	<b>28</b>
<b>CORPORATE GOVERNANCE DISCLOSURE .....</b>	<b>29</b>
Board of Directors .....	29
Meeting Attendance .....	30
Other Directorships .....	30
Board Mandate .....	30
Position Descriptions.....	30
Orientation and Continuing Education.....	31
Ethical Business Conduct.....	31
Nomination of Directors.....	31
Board Committees.....	32
Assessments .....	34
Director Term Limits and Other Mechanisms of Board Renewal.....	34
Gender Diversity.....	34
Environmental, Social and Governance Responsibility .....	35
<b>INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS .....</b>	<b>35</b>
<b>INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS .....</b>	<b>36</b>
<b>ADDITIONAL INFORMATION .....</b>	<b>36</b>
<b>ADVISORIES .....</b>	<b>37</b>

# BIRCHCLIFF

## ENERGY

---

### INFORMATION CIRCULAR

#### ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 12, 2022

---

### GENERAL PROXY AND VOTING INFORMATION

#### Solicitation of Proxies

This information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Birchcliff Energy Ltd. (“**Birchcliff**” or the “**Corporation**”) for use at the annual meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) to be held at 3:00 p.m. (Mountain Daylight Time) on Thursday, May 12, 2022 in the McMurray Room at the Calgary Petroleum Club, 319 – 5<sup>th</sup> Avenue S.W., Calgary, Alberta, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual Meeting of Shareholders (the “**Notice of Meeting**”).

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of this Information Circular and related materials will be borne by the Corporation. In addition to solicitation by mail, proxies may also be solicited by personal interviews, email, telephone or by other methods of communication, by the Corporation’s executive officers, directors and employees who will not be specifically remunerated therefor.

#### Conventions

Except where otherwise indicated, the information contained in this Information Circular is given as of March 28, 2022 and all dollar amounts are expressed in Canadian dollars. References herein to “**Registered Shareholders**” mean Shareholders whose names appear on the records of the registrar and transfer agent for the Corporation as the registered holders of Common Shares of Birchcliff. References herein to “**Beneficial Shareholders**” mean Shareholders who do not hold Common Shares in their own name (i.e. Common Shares are held through a broker, financial institution or other nominee). Unless otherwise specified, the information set forth in this section “*General Proxy and Voting Information*” generally applies to Registered Shareholders. Beneficial Shareholders should refer to “*Information for Beneficial Shareholders*” in this section for information on how to vote, and if desired, attend and vote in person the Meeting.

#### Appointment of Proxies

Registered Shareholders may attend and vote at the Meeting in person or vote by proxy in advance of the Meeting. Registered Shareholders who are unable to attend the Meeting, or any adjournment or postponement thereof, in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the enclosed form of proxy must be dated, signed and deposited with the Corporation’s registrar and transfer agent, Computershare Trust Company of Canada (“**Computershare**”), Attention: Proxy Department, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. Registered Shareholders may also use the internet at [www.investorvote.com](http://www.investorvote.com) or the telephone at 1-866-732-8683 to vote their Common Shares. Registered Shareholders voting through the internet or by telephone will be prompted to enter the 15-digit control number found on the form of proxy.

**In order to be valid and acted upon at the Meeting, proxies and votes received through the internet or by telephone must be received by Computershare on or before 3:00 p.m. (Mountain Daylight Time) on Tuesday, May**

10, 2022, or if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjourned or postponed Meeting. The Chairman of the Meeting will have the discretion, but is not obligated, to accept proxies that are deposited less than 48 hours prior to the time of the Meeting or any adjournment or postponement thereof.

If a Registered Shareholder votes by proxy in advance of the Meeting as outlined above, such Registered Shareholder's vote will be counted, whether or not such Shareholder attends the Meeting. Even if a Registered Shareholder attends the Meeting, it may be more convenient to vote in advance.

#### *Appointment of a Third Party as Proxyholder*

The persons named as proxyholders in the enclosed form of proxy are directors and/or executive officers of the Corporation. A Shareholder has the right to appoint a person or company to attend and represent the Shareholder at the Meeting, other than the persons designated in the form of proxy furnished by the Corporation. To exercise this right, the Shareholder is required to either insert the name of the Shareholder's appointee in the blank space provided in the form of proxy or complete another appropriate form of proxy and, in either case, deliver the completed proxy to Computershare, at the places and within the time specified above for the deposit of proxies. Registered Shareholders may also use the internet at [www.investorvote.com](http://www.investorvote.com) to appoint another person to be the Shareholder's proxyholder.

#### **Revocation of Proxies**

A Shareholder of the Corporation who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has submitted a proxy attends in person at the Meeting where such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing and deposited either: (i) at the registered (head) office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof; or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

#### **Exercise of Discretion with Respect to Proxies**

**The Common Shares represented by proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly, but if no specification is made, the Common Shares will be voted in favour of the matters to be acted upon as set forth herein.**

If any amendment or variation to the matters identified in the Notice of Meeting is proposed or if any other matters are properly brought before the Meeting or any adjournment or postponement thereof, the enclosed form of proxy confers discretionary authority on the persons named therein to vote on any such amendment or variation or such other matters. As at the date of this Information Circular, management of the Corporation is not aware of any such amendment, variation or other matter.

#### **Information for Beneficial Shareholders**

Beneficial Shareholders should note that only proxies deposited by Registered Shareholders whose names appear on the records of the registrar and transfer agent for 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 Shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in a holder's name on the records of the Corporation. Such Common Shares will most likely be registered in the name of the holder's broker or an agent of the broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. **Beneficial Shareholders should therefore ensure that instructions regarding the**

**voting of their Common Shares are properly communicated to the appropriate person or that the Common Shares are duly registered in their name well in advance of the Meeting.**

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to that provided to a Registered Shareholder. However, its purpose is limited to instructing the Registered Shareholder on 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 ("**VIF**") in lieu of the applicable form of proxy. The Beneficial Shareholder is requested to complete and return the VIF by mail. 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 respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a form of proxy or VIF from its broker or other intermediary (or an agent or nominee of such broker or other intermediary) cannot use that form to vote Common Shares directly at the Meeting. Voting instructions must be communicated to the broker, intermediary, agent or nominee (in accordance with the instructions provided by it or on its behalf) well in advance of the Meeting in order to have the Common Shares to which such instructions relate voted at the Meeting.

The Corporation uses Broadridge to send proxy-related materials to non-objecting Beneficial Shareholders. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting Beneficial Shareholders.

#### ***Voting at the Meeting – Appointment of Proxyholder***

**The following instructions apply to Beneficial Shareholders who wish to appoint as their proxyholders any person other than the persons designated in the VIF. This includes Beneficial Shareholders who wish to appoint themselves as proxyholders to attend and vote their Common Shares at the Meeting.**

**If you are a Beneficial Shareholder and wish to appoint as your proxyholder any person other than the persons designated in the VIF to attend and vote your Common Shares at the Meeting, you must insert your proxyholder's name in the space provided on the VIF sent to you by your intermediary and follow all of the applicable instructions provided by your intermediary. By doing so, you are instructing your intermediary to appoint your designated proxyholder as your proxyholder for purposes of the Meeting. It is important that you comply with the instructions provided by your intermediary.**

#### ***Notice-and-Access***

Birchcliff has elected to use the "notice-and-access" provisions (the "**Notice-and-Access Provisions**") under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* for the Meeting in respect of mailings to its Beneficial Shareholders but not in respect of mailings to its Registered Shareholders. The Notice-and-Access Provisions are rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing a reporting issuer to post an information circular and related materials in respect of a meeting of its shareholders online.

Birchcliff has also elected to use procedures known as "stratification" in relation to its use of the Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of an information circular and, if applicable, a paper copy of financial statements and related management's discussion and analysis, to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, Registered Shareholders and those Beneficial Shareholders with existing instructions on their account to receive paper materials will receive a paper copy of each of: (i) the Notice of Meeting and this Information Circular; (ii) a form of proxy or VIF, as applicable; and (iii) the annual financial statements and related management's discussion and analysis for the most recently completed financial year (the "**Financial Information**"). Beneficial Shareholders without existing instructions on their account to receive paper materials will receive only a notice-and-

access notification and a VIF. Furthermore, a paper copy of the Financial Information will also be mailed to those Beneficial Shareholders who previously requested to receive such paper copies from the Corporation.

#### **Voting Securities and Principal Holders of Voting Securities**

Birchcliff is authorized to issue an unlimited number of Common Shares. On March 23, 2022 (the “**Record Date**”), Birchcliff had 265,605,279 Common Shares issued and outstanding.

Only Shareholders of record as of the close of business on the Record Date are entitled to receive notice of the Meeting and to one vote at the Meeting for each Common Share held, provided that if a Shareholder has transferred the ownership of any of his or her Common Shares after the Record Date and the transferee of those Common Shares produces properly endorsed Common Share certificates or otherwise establishes that he or she owns the Common Shares and demands, not later than 10 days before the Meeting, that his or her name be included in the list of Shareholders before the Meeting, then the transferee shall be entitled to vote such Common Shares at the Meeting.

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, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the financial year ended December 31, 2021, any proposed nominee for election as a director of the Corporation or any associate or affiliate of any of the foregoing, in any matter to be acted upon at the Meeting, other than the election of the directors.



## BUSINESS OF THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

### Financial Statements

At the Meeting, the annual audited financial statements of the Corporation for the year ended December 31, 2021 and the independent auditors’ report thereon will be placed before the Shareholders, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The annual audited financial statements are available at [www.birchcliffenergy.com](http://www.birchcliffenergy.com) and on SEDAR under Birchcliff’s company profile at [www.sedar.com](http://www.sedar.com).

### Fixing Number of Directors

The Corporation is required to have a minimum of three and a maximum of eleven directors. The Board presently consists of five directors, each of whom is proposed by management to be elected as a director at the Meeting. Accordingly, Shareholders will be asked at the Meeting to fix the number of directors of the Corporation to be elected at the Meeting at five. Information regarding the proposed nominees is set forth in the table below under the heading “*Business of the Meeting – Election of Directors – Information Regarding Director Nominees*”.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the ordinary resolution to fix the number of directors of the Corporation to be elected at the Meeting at five.**

### Election of Directors

The five nominees proposed by management to be elected as directors at the Meeting are Dennis Dawson, Debra Gerlach, Stacey McDonald, James Surbey and Jeff Tonken, all of whom are currently serving on the Board. Pursuant to the *Business Corporations Act* (Alberta) (the “**ABCA**”), the current directors of the Corporation will cease to hold office at the close of the Meeting. Each person elected as a director of the Corporation will hold office until the close of the next annual meeting of Shareholders or until their successor is elected or appointed. All of the proposed nominees have consented to be named in this Information Circular and to serve as directors, if elected.

Voting for the election of the directors will be conducted on an individual, and not slate, basis.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the election of each of the nominees listed herein as directors of the Corporation.**

The Corporation will publicly disclose the voting results, providing the percentage of the votes for and withheld from voting for each individual director.

### Majority Voting for Directors

The Board has adopted a majority voting policy (the “**Majority Voting Policy**”) applicable only to uncontested elections stipulating that if, with respect to any particular nominee for election as a director, the number of votes “for” the nominee does not exceed the number of votes recorded “withheld” from voting for such nominee, then such nominee shall promptly following certification of the Shareholder vote, submit to the Board his or her resignation effective upon the acceptance thereof by the Board. The Nominating Committee shall consider any resignation tendered pursuant to the Majority Voting Policy and make a recommendation to the Board as to whether to accept or reject such resignation. The Board will consider the Nominating Committee’s recommendation within 90 days of the applicable meeting of Shareholders. The Board shall cause a press release to be issued promptly by the Corporation disclosing the Board’s determination and, if the resignation is not accepted by the Board, the reasons therefor. Each resignation tendered in accordance with the Majority Voting Policy shall be accepted by the Board absent exceptional circumstances. The full text of the Majority Voting Policy is available on the Corporation’s website at <http://birchcliffenergy.com/investors/corporate-governance/>.

### Advance Notice By-Law

Birchcliff has adopted an advance notice by-law (the “**Advance Notice By-Law**”), which was ratified by Shareholders at the annual and special meeting of Shareholders held on May 10, 2018. The Advance Notice By-Law fixes a deadline by which Shareholders must submit director nominations to the Corporation prior to any meeting of Shareholders at which directors are to be elected and specifies the information that a nominating Shareholder must include in the notice in order for director nominees to be eligible for nomination and election at any such meeting. The Advance Notice By-Law does not interfere with the ability of Shareholders to requisition a Shareholders’ meeting or to nominate directors by way of a Shareholder proposal, in each case in accordance with the provisions of the ABCA. Subject only to the provisions of the ABCA, applicable securities laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in the Advance Notice By-Law shall be eligible for election as a director of the Corporation. The Corporation has not received any nominations via the advance notice mechanism as at the date of this Information Circular. The full text of the Advance Notice By-Law is available on the Corporation’s website at <http://birchcliffenergy.com/investors/corporate-governance/>.

### Information Regarding Director Nominees

The following table sets forth for each person proposed to be nominated for election as a director: (i) whether they are independent; (ii) their province and country of residence and age; (iii) the period during which they have served as a director of Birchcliff or its predecessor entities; (iv) the number of Common Shares that they beneficially own, or control or direct, directly or indirectly, as at the date of this Information Circular; (v) their principal occupation within the past five years and a brief biography; (vi) the number of votes for and withheld from voting with respect to their election as a director at the annual meeting of Shareholders of the Corporation held on May 13, 2021; and (vii) information regarding their current committee memberships and their attendance at Board and committee meetings held during 2021.

<b>DENNIS DAWSON</b>		
Independent Lead Director	Mr. Dawson is a corporate director. He is the Chair of the Corporation’s Compensation and Nominating Committees and is also a member of the Corporation’s Audit, Environment, Health, Safety and Sustainability (“EHSS”) and Reserves Evaluation Committees. He has over 35 years of oil and natural gas experience, including nine years as General Counsel for Pan-Alberta Gas Ltd., a major Canadian natural gas export and marketing company. Mr. Dawson was the Vice President, General Counsel and Corporate Secretary of AltaGas from December 1998 to April 2015. He first joined AltaGas as Associate General Counsel in August 1997, after consulting with AltaGas Services Inc. from July 1996. Effective July 1998, Mr. Dawson became AltaGas’ General Counsel and Corporate Secretary and effective December 1998, he became Vice President, General Counsel and Corporate Secretary. Mr. Dawson holds a Bachelor of Arts degree from the University of Lethbridge and a Bachelor of Laws degree from the University of Alberta. He is a member of the Law Society of Alberta.	
Alberta, Canada		
Age: 68		
Director Since: May 14, 2015		
Common Shares: 135,216 <sup>(1)</sup>		
<b>Voting Results from 2021 Annual Meeting</b>		
	Number of Votes	% of Votes
Votes For	122,009,367	92.03
Votes Withheld	10,566,138	7.97
<b>Board and Board Committees</b>		
	<b>2021 Meeting Attendance</b>	
Board (Lead Director)	17 of 17	100%
Audit Committee	6 of 6	100%
Compensation Committee (Chair)	5 of 5	100%
EHSS Committee	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>
Nominating Committee (Chair)	2 of 2	100%
Reserves Evaluation Committee	4 of 4	100%

**DEBRA GERLACH**

Independent Director

Alberta, Canada

Age: 61

Director Since:  
November 8, 2017

Ms. Gerlach is a corporate director. She is the Chair of the Corporation's Audit Committee and is also a member of the Corporation's Compensation, EHSS, Nominating and Reserves Evaluation Committees. Ms. Gerlach was a partner with Deloitte LLP from September 1996 to September 2017, where she practiced in the Assurance and Advisory group. Prior thereto, she held various positions within Deloitte LLP from the time she joined the firm in August 1982. During her 35-year career with the firm, Ms. Gerlach worked with numerous public oil and natural gas companies. Ms. Gerlach holds a Bachelor of Commerce degree and a Master of Business Administration degree from the University of Calgary. She is a Chartered Accountant with the Chartered Professional Accountants of Alberta.

Common Shares: 100,000<sup>(1)</sup>

<b>Voting Results from 2021 Annual Meeting</b>	<b>Number of Votes</b>	<b>% of Votes</b>
Votes For	125,013,994	94.30
Votes Withheld	7,561,511	5.70

<b>Board and Board Committees</b>	<b>2021 Meeting Attendance</b>	
Board	17 of 17	100%
Audit Committee (Chair)	6 of 6	100%
Compensation Committee	5 of 5	100%
EHSS Committee	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>
Nominating Committee	2 of 2	100%
Reserves Evaluation Committee	4 of 4	100%

**STACEY McDONALD**

Independent Director

Alberta, Canada

Age: 38

Director Since:  
December 14, 2018

Ms. McDonald is a corporate director and an independent businessperson. She is the Chair of the Corporation's EHSS Committee and is also a member of the Corporation's Audit, Compensation, Nominating and Reserves Evaluation Committees. She has over 15 years of experience in the energy and financial sectors. From September 2016 to July 2018, Ms. McDonald was a Managing Director – Institutional Equity Research (Energy) at GMP FirstEnergy and its predecessor, GMP Securities, independent global investment banks. She joined GMP Securities in February 2006 as a research associate and began publishing independently as an Equity Analyst in 2009. She is also currently a director of Bonterra Energy Corp., a publicly traded oil and natural gas company, where she is the Chair of the Reserves Committee and is also a member of the Audit, Compensation and Governance and Nominating Committees. Ms. McDonald holds a Bachelor of Commerce degree in Finance from the University of Alberta. She is also a holder of the Institute of Corporate Directors' Director designation.

Common Shares: 30,000<sup>(1)</sup>

<b>Voting Results from 2021 Annual Meeting</b>	<b>Number of Votes</b>	<b>% of Votes</b>
Votes For	124,950,426	94.25
Votes Withheld	7,625,079	5.75

<b>Board and Board Committees</b>	<b>2021 Meeting Attendance</b>	
Board	17 of 17	100%
Audit Committee	6 of 6	100%
Compensation Committee	5 of 5	100%
EHSS Committee (Chair)	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>
Nominating Committee	2 of 2	100%
Reserves Evaluation Committee	4 of 4	100%

## JAMES SURBEY

Non-Independent Director  
Alberta, Canada  
Age: 71  
Director Since:  
May 11, 2017  
Common Shares: 1,449,650<sup>(1)</sup>

Mr. Surbey is a corporate director, an independent businessperson and an employee of Birchcliff. He is the Chair of the Corporation's Reserves Evaluation Committee. He has over 40 years of experience in the oil and natural gas industry, including in the areas of executive leadership, business development, engineering, legal, corporate governance, finance and acquisitions and divestitures. Mr. Surbey is one of the founders of Birchcliff and served as the Vice President, Corporate Development and Corporate Secretary of the Corporation and its predecessor entities from July 2004 to June 30, 2017. Prior to Birchcliff, he served as the Vice President, Corporate Development of Case Resources Inc., the Senior Vice President, Corporate Development of Big Bear Exploration Ltd. and the Vice President, Corporate Development of Stampeder Exploration Ltd. Mr. Surbey was previously a senior partner with the law firm Howard, Mackie (now Borden Ladner Gervais LLP). Mr. Surbey holds a Bachelor of Engineering degree and a Bachelor of Laws degree from McGill University and is a member of the Law Society of Alberta and the Society of Petroleum Engineers. He is also a member of the Alberta Securities Commission's Petroleum Advisory Committee.

Voting Results from 2021 Annual Meeting	Number of Votes	% of Votes
Votes For	120,945,525	91.23
Votes Withheld	11,629,980	8.77

Board and Board Committees	2021 Meeting Attendance	
Board	17 of 17	100%
Reserves Evaluation Committee (Chair)	4 of 4	100%

## JEFF TONKEN

Non-Independent Director,  
Chairman of the Board and  
Chief Executive Officer  
Alberta, Canada  
Age: 65  
Director Since:  
July 6, 2004  
Common Shares: 1,447,534<sup>(1)</sup>

Mr. Tonken is the Chief Executive Officer of the Corporation. He has served as the Chairman of the Board since May 2017 and is a member of the Corporation's EHSS Committee. Mr. Tonken has over 40 years of experience in the oil and natural gas industry, including in the areas of executive leadership, finance, corporate governance, acquisitions and divestitures, business development, marketing and legal. Mr. Tonken is one of the founders of the Corporation and served as the President and Chief Executive Officer of Birchcliff and its predecessor entities from July 2004 to December 2021. Prior to Birchcliff, Mr. Tonken founded and served as the President and Chief Executive Officer of Case Resources Inc., Big Bear Exploration Ltd. and Stampeder Exploration Ltd. Prior thereto, he was a partner with the law firm Howard, Mackie (now Borden Ladner Gervais LLP). Mr. Tonken is currently the Vice Chair of the Board of Governors of the Canadian Association of Petroleum Producers (CAPP) and was the Chair in 2019. Mr. Tonken holds a Bachelor of Commerce degree from the University of Alberta and a Bachelor of Laws degree from the University of Wales. He is a member of the Law Society of Alberta.

Voting Results from 2021 Annual Meeting	Number of Votes	% of Votes
Votes For	123,639,179	93.26
Votes Withheld	8,936,326	6.74

Board and Board Committees	2021 Meeting Attendance	
Board (Chairman)	17 of 17	100%
EHSS Committee	N/A <sup>(2)</sup>	N/A <sup>(2)</sup>

(1) The information as to the number of Common Shares owned beneficially, not being within the knowledge of the Corporation, has been provided by each nominee.

(2) The Corporation's EHSS Committee was formed subsequent to December 31, 2021.

### **Corporate Cease Trade Orders or Bankruptcies**

No proposed director of the Corporation is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Corporation, that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days, which was issued: (i) while that person was acting in such capacity; or (ii) after that person ceased to act in such capacity but which resulted from an event that occurred while that person was acting in such capacity.

No proposed director of the Corporation is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Corporation, that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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

### **Penalties or Sanctions**

No proposed director of the Corporation 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 Shareholder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

Shareholders will be asked to pass an ordinary resolution in favour of the appointment of the firm of KPMG LLP (“KPMG”), Chartered Professional Accountants, as the auditors of the Corporation, to hold office until the close of the next annual meeting of Shareholders of the Corporation, and to authorize the Board to fix their remuneration as such. KPMG has been the auditors of the Corporation since August 2011.

**It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary, to vote proxies in favour of the appointment of KPMG as the auditors of the Corporation and to authorize the Board to fix their remuneration as such.**

The following table summarizes the fees billed to the Corporation by its auditors, KPMG, for external audit and other services for the years ended December 31, 2021 and 2020:

<b>Fees</b>	<b>2021</b>	<b>2020</b>
Audit Fees <sup>(1)</sup>	\$418,370	\$451,350
Audit-Related Fees <sup>(2)</sup>	-	-
Tax Fees <sup>(3)</sup>	\$26,221	\$26,550
All Other Fees <sup>(4)</sup>	-	-
<b>Total</b>	<b>\$444,591</b>	<b>\$477,900</b>

(1) “Audit Fees” consist of fees for the audit of the Corporation’s annual financial statements and the review of the Corporation’s quarterly financial statements, as well as services that are normally provided in connection with statutory and regulatory filings or engagements.

(2) “Audit-Related Fees” consist of fees for assurance and related services that are reasonably related to the performance of the audit or the review of the Corporation’s financial statements and are not reported under the heading of “Audit Fees” above.

(3) “Tax Fees” consist of fees for professional services rendered for tax compliance, tax advice and tax planning. During 2021 and 2020, such fees related to the preparation and filing of Birchcliff’s corporate income tax returns and other tax-related work.

(4) “All Other Fees” consist of fees for products and services other than those described under the headings of “Audit Fees”, “Audit-Related Fees” and “Tax Fees” above.

## Other Business

If any other matters properly come before the Meeting or any adjournment or postponement thereof, the enclosed form of proxy confers discretionary authority on the persons named therein to vote on any such other matters. As at the date of this Information Circular, management of the Corporation is not aware of any other matters to come before the Meeting.

## EXECUTIVE COMPENSATION

### 2021 Year in Review

2021 was a record year for Birchcliff in many respects. The Corporation generated record adjusted funds flow, record free funds flow and record net income to its common shareholders, which allowed the corporation to significantly reduce its total debt, double its Common Share dividend and return capital to Shareholders through share buybacks. Birchcliff also successfully and safely executed on its 2021 capital program, bringing a total of 33 wells on production and delivering annual average production of 78,520 boe/d. All of these achievements speak to the continued strong performance of Birchcliff's assets and the benefits of its low-cost operating structure. In addition, Birchcliff was able to grow its proved developed producing ("PDP") reserves at year-end 2021 by 5% over 2020, with top-tier PDP finding and development costs, which highlights the profitability of the Corporation's business.

In addition, Birchcliff demonstrated its ongoing commitment to delivering leading environmental, social and governance ("ESG") performance and reporting during 2021 with the release of its fourth annual ESG Report. Birchcliff's commitment to ESG was reflected in its status as a low-emissions intensity producer, with the Corporation delivering one of the lowest greenhouse gas ("GHG") emissions intensities amongst its peer group.

On October 7, 2021, Birchcliff announced a number of changes to its Executive Team that became effective on January 1, 2022. Chris Carlsen, formerly Vice President, Engineering, was appointed as President and Chief Operating Officer, responsible for overseeing Birchcliff's day-to-day operations. Mr. Carlsen reports directly to Jeff Tonken who continues as Chief Executive Officer, providing overall leadership and direction for the Corporation. Mr. Tonken also remains Chairman of the Board. In addition, each of Myles Bosman, Bruno Geremia and David Humphreys were appointed as Executive Vice Presidents effective January 1, 2022.

### Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes the executive compensation program for the financial year ended December 31, 2021 applicable to Birchcliff's "Named Executive Officers" (the "**Named Executive Officers**"). "Named Executive Officer" is defined by Form 51-102F6 – *Statement of Executive Compensation* to mean: (i) the chief executive officer of the Corporation; (ii) the chief financial officer of the Corporation; (iii) each of the Corporation's three most highly compensated executive officers or three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and chief financial officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000.00 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

The Corporation's Named Executive Officers and their titles for the financial year ended December 31, 2021 were:

- Jeff Tonken – President and Chief Executive Officer;
- Myles Bosman – Vice President, Exploration and Chief Operating Officer;
- Chris Carlsen – Vice President, Engineering;
- Bruno Geremia – Vice President and Chief Financial Officer; and
- David Humphreys – Vice President, Operations.

This Compensation Discussion and Analysis discusses the objectives and principles of Birchcliff's compensation program, the roles and responsibilities of the Compensation Committee in determining and approving executive compensation, the process for determining compensation and the elements of the Corporation's compensation program.

### ***Compensation Objectives and Principles***

The overall philosophy of Birchcliff is to provide a compensation program that rewards performance, aligns with Shareholder interests and attracts and retains high-quality and experienced executives and employees. Birchcliff believes that compensation should be fair and equitable compared to compensation paid generally in the Alberta oil and natural gas industry.

The principal objectives of Birchcliff's compensation program for the financial year ended December 31, 2021 were as follows:

- to attract and retain the management talent needed to achieve Birchcliff's business objectives and to create long-term value for Shareholders;
- to motivate the short and long-term performance of the Named Executive Officers and other employees and align their interests with those of the Corporation's Shareholders;
- to reward performance, individual contribution and leadership in the achievement of Birchcliff's business objectives and the creation of long-term Shareholder value; and
- to provide compensation that is competitive with other companies of a similar size in the Alberta oil and natural gas industry and that is reflective of the experience, performance and contribution of the individuals involved, as well as the overall performance of the Corporation.

### ***Compensation Governance***

The Corporation has a Compensation Committee whose responsibility it is to review compensation matters and to recommend to the Board the appropriate levels of compensation for all Named Executive Officers and directors.

#### ***Mandate of the Compensation Committee***

The Compensation Committee has a formal charter which sets out its roles and responsibilities. The roles and responsibilities of the Compensation Committee include, among other things:

- providing oversight and guidance for the compensation and benefit philosophy for all employees of the Corporation;
- making recommendations to the Board with respect to the compensation of the Named Executive Officers;
- making recommendations to the Board with respect to the compensation of non-employee directors; and
- reviewing the Corporation's incentive compensation and other benefit plans and practices and recommending changes in such plans and practices to the Board.

Pursuant to its charter, the Compensation Committee is required to meet at least annually and as many additional times as the committee deems necessary. During 2021, the Compensation Committee met a total of five times.

#### ***Members of the Compensation Committee***

The current members of the Compensation Committee are Dennis Dawson (Chair), Debra Gerlach and Stacey McDonald. All members of the Compensation Committee are independent within the meaning of applicable securities laws.

Each of the Compensation Committee members has direct experience relevant to executive compensation. The skills and experience of each member of the Compensation Committee that enable them to make decisions regarding the suitability of the Corporation's compensation policies and practices are summarized below:

- Mr. Dawson has over 35 years of oil and natural gas experience, including nine years as General Counsel for Pan-Alberta Gas Ltd., a major Canadian natural gas export and marketing company. Mr. Dawson was the Vice President, General Counsel and Corporate Secretary of AltaGas from December 1998 to April 2015. He first joined AltaGas as Associate General Counsel in August 1997, after consulting with AltaGas Services Inc. from July 1996. Effective July 1998, Mr. Dawson became AltaGas' General Counsel and Corporate Secretary and effective December 1998, he became Vice President, General Counsel and Corporate Secretary. Mr. Dawson holds a Bachelor of Arts degree from the University of Lethbridge and a Bachelor of Laws degree from the University of Alberta. He is a member of the Law Society of Alberta. Through his previous roles at AltaGas and other organizations, Mr. Dawson gained experience in reviewing, establishing and/or operating executive and corporate compensation programs.
- Ms. Gerlach was a partner with Deloitte LLP from September 1996 to September 2017, where she practiced in the Assurance and Advisory group. Prior thereto, she held various positions within Deloitte LLP from the time she joined the firm in August 1982. During her 35-year career with the firm, Ms. Gerlach worked with numerous public oil and natural gas companies. Ms. Gerlach holds a Bachelor of Commerce degree and a Master of Business Administration degree from the University of Calgary. She is a Chartered Accountant with the Chartered Professional Accountants of Alberta. Through her career with Deloitte LLP, Ms. Gerlach became acquainted with the compensation structures of a variety of different organizations, including those in the oil and natural gas industry. While at Deloitte LLP, Ms. Gerlach was responsible for managing various employees and was involved in reviewing and helping to determine the compensation for such staff. In addition, she reviewed and/or audited the executive pay structures of numerous companies throughout her career.
- Ms. McDonald has over 15 years of experience in the energy and financial sectors. From September 2016 to July 2018, Ms. McDonald was a Managing Director – Institutional Equity Research (Energy) at GMP FirstEnergy and its predecessor, GMP Securities, independent global investment banks. She joined GMP Securities in February 2006 as a research associate and began publishing independently as an Equity Analyst in 2009. She is also currently a director and member of the Compensation Committee of Bonterra Energy Corp., a publicly traded oil and natural gas company. Ms. McDonald holds a Bachelor of Commerce degree in Finance from the University of Alberta. She is also a holder of the Institute of Corporate Directors' Director designation. While at GMP FirstEnergy and GMP Securities, Ms. McDonald was involved in providing input to the corporations' management compensation committees with respect to the allocation of ongoing incentive and commission payments. She was also involved in assessing performance and setting compensation for staff members. In addition, as a holder of the Institute of Corporate Directors' Director designation, Ms. McDonald has received education specifically relating to the Board's role in enhancing human performance, such as the appointing, evaluation, compensation and renewal of executives.

#### Compensation Consultants or Advisors

The Compensation Committee has the authority to engage outside advisors to the extent it considers it necessary or desirable. During the financial years ended December 31, 2021 and December 31, 2020, neither the Board nor the Compensation Committee engaged any outside compensation consultant or advisor to assist in determining compensation for any of the Corporation's directors or executive officers.



### Compensation Committee Review Process

The Compensation Committee and the Board typically meet on an annual basis in December of each year to review and determine the compensation for all of the Corporation's employees, including the Named Executive Officers. At such meetings, the Compensation Committee and the Board are provided with information regarding the current and proposed compensation for all employees. In order to ensure that the Corporation's employees and Named Executive Officers are being compensated appropriately, Birchcliff participates in and uses the annual Mercer Total Compensation Survey for the energy sector, conducted and administered by Mercer (Canada) Limited (an independent compensation consultant), for purposes of benchmarking executive and employee compensation. With respect to the compensation to be paid to the Named Executive Officers, the Chief Executive Officer of the Corporation provides his recommendation to the Compensation Committee as to the compensation that should be paid to such officers. The Compensation Committee then reviews this recommendation and submits its full recommendation to the Board.

With respect to the financial year ended December 31, 2021, the compensation for each of the Named Executive Officers primarily consisted of a base salary, stock options to purchase Common Shares ("**Options**") and a cash bonus, as discussed in further detail below under the heading "*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation*". The base salary paid to each of the Named Executive Officers and the number of Options to be granted for the financial year ended December 31, 2021 were determined at the meetings of the Compensation Committee and the Board held in December 2020. The bonuses paid to each of the Named Executive Officers for the financial year ended December 31, 2021 were determined at the meetings of the Compensation Committee and the Board held in December 2021 and subsequently paid in January 2022.

### Elements of Compensation

The significant elements of Birchcliff's executive compensation program are set forth in the table below:

Element	Fixed or Variable	Cash or Equity	Long-Term or Short-Term
Base Salary	Fixed	Cash	Short-Term
Bonus	Variable	Cash	Short-Term
Options	Variable	Equity	Long-Term
Performance Warrants <sup>(1)</sup>	N/A	Equity	Long-Term

(1) Performance warrants ("**Performance Warrants**") to acquire Common Shares were granted to the management team at the inception of the Corporation in 2005. See "*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants*".

In addition, provided they meet certain eligibility requirements, each of the Named Executive Officers is entitled to receive a lump sum cash payment from the Corporation on retirement or other termination of their employment without just cause. See "*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit*". The Named Executive Officers are also entitled to participate in the Corporation's employee group savings plan (the "**Group Savings Plan**") and to receive other employee benefits. See "*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Group Savings Plan and Benefits*".

The Compensation Committee endeavours to find an appropriate balance between fixed and variable, long-term and short-term and cash and equity-based incentive compensation. The compensation program is designed to be weighted towards the "at-risk" variable elements in order to ensure accountability for corporate and individual performance. Cash compensation primarily rewards short-term and individual performance, whereas equity-based incentive awards (Options and historically Performance Warrants) align the Corporation with market performance and encourage the Named Executive Officers to deliver improved corporate performance over a longer period of time and to help increase Shareholder value.

The elements of the Corporation's compensation program and the specific process for determining the amount of each element are described in further detail below. The amount of each element of the Corporation's compensation program is not determined relying on specific benchmarks or performance goals or by using a prescribed formula as the Compensation Committee and the Board believe that such benchmarks, goals and formulas could lead to unintended consequences and foster excessive risk-taking to the overall detriment of the Corporation. Instead, in making its recommendations to the Compensation Committee, management engages in a comprehensive qualitative review of corporate and individual performance, having regard for the Corporation's current needs, in order to determine the most effective way for Birchcliff's compensation program to achieve its primary objectives and fulfill its overall philosophy.

#### Base Salaries

The first element of Birchcliff's compensation program is the payment of base salaries. The payment of base salaries is a fundamental component of the Corporation's compensation program and serves to attract and retain highly qualified executive officers. The Corporation believes that a highly competitive base salary is key to Birchcliff's ongoing success and to maintaining stability at the executive level. The Named Executive Officers are paid a base salary to compensate them for providing the leadership and skills necessary to fulfill their responsibilities as executive officers of the Corporation.

Salaries for the Named Executive Officers are reviewed annually by the Chief Executive Officer, based on a review of corporate and individual performance and individual levels of responsibility. Although no formal industry-peer benchmarking group has been established, the Chief Executive Officer reviews publicly available information regarding the executive compensation of certain of the Corporation's competitors. In addition, Birchcliff participates in and uses the annual Mercer Total Compensation Survey for the energy sector as discussed above. Based on his review, the Chief Executive Officer submits his salary recommendations for the Named Executive Officers for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the Chief Executive Officer and submits its recommendations to the full Board.

In determining the salaries to be paid to the Named Executive Officers in respect of the financial year ended December 31, 2021, the Compensation Committee took into account the Corporation's performance, the contributions made by such executive officers, their individual levels of responsibility, their experience and expertise, how their compensation levels related to compensation packages that would be achievable by such executive officers from other opportunities and available salary survey data and other information publicly disclosed by certain of the Corporation's competitors. The outbreak of the COVID-19 pandemic had a significant negative impact on global economic conditions in 2020. This included a sharp decrease in crude oil demand which, combined with other macro-economic conditions, resulted in significant volatility in oil and natural gas commodity prices, as well as economic uncertainty. The Corporation determined that due to these circumstances, base salaries for the Named Executive Officers would be frozen for 2021.

#### The Bonus Plan

The second element of Birchcliff's compensation program is the Corporation's bonus plan (the "**Bonus Plan**"). Pursuant to the Bonus Plan, discretionary cash bonuses are paid to the Named Executive Officers and other employees where deemed appropriate by the Compensation Committee. The Bonus Plan serves as a short-term retention incentive to encourage the Named Executive Officers and employees to remain employed with the Corporation. In addition, the Bonus Plan rewards the Named Executive Officers and other employees for their individual performance and their contribution to the achievement of the Corporation's goals and objectives, as well as the performance of the Corporation as a whole.

With respect to the bonuses to be paid to the Named Executive Officers, the Chief Executive Officer submits his recommendations for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the Chief Executive Officer and submits its recommendations to the full Board. In determining the amount of bonuses to be paid to the Named Executive Officers in respect of the financial year ended December 31, 2021, the Compensation Committee considered a variety of factors, including the execution of the Corporation's business plan, the Corporation's production, capital costs, operating costs, reserves additions,

performance-based metrics commonly used in the oil and natural gas industry and the health, safety and environmental record of the Corporation.

On the basis of the significant accomplishments achieved by Birchcliff during 2021, including the Corporation's record performance for all of its cash flow metrics during 2021 as outlined above under "*Executive Compensation – 2021 Year in Review*", and the efforts made by each of the Named Executive Officers in executing the Corporation's business plan, the Compensation Committee and the Board approved in December 2021 the payment of a bonus to each of the Named Executive Officers.

#### The Stock Option Plan

The third element of Birchcliff's compensation program is the Corporation's stock option plan (the "**Stock Option Plan**"). The Stock Option Plan is a "rolling plan" whereby the maximum number of Common Shares that may be issued under the Stock Option Plan at any time shall not exceed 10% of the aggregate number of Common Shares actually outstanding at that time, on a non-diluted basis.

#### Purpose

The Stock Option Plan is an integral component of the Corporation's total compensation program and is critical to the Corporation's ability to attract and retain qualified and dedicated personnel. The Stock Option Plan is designed, through the grant of Options, to reward participants under the Stock Option Plan (each, an "**Optionee**") with additional compensation relative to an increase in the market price of the Common Shares – value is realized as the market price of the Common Shares exceeds that of the exercise price of the Options. Accordingly, the Stock Option Plan is intended to enhance Shareholder value by aligning the interests of Optionees with the interests of Shareholders by attempting to create a direct link between compensation and Shareholder returns. In addition, the deferred vesting of Options over a three-year period serves as a long-term retention incentive to encourage the Named Executive Officers and other employees to remain employed with the Corporation.

#### Participants

The Stock Option Plan permits the granting of Options to officers, directors, employees and certain service providers of the Corporation. No Options have been granted to a non-employee director of the Corporation since 2011.

#### Grant Process

Pursuant to the Stock Option Plan, the Board may grant Options from time to time. At the time of the grant, the Board fixes the exercise price, vesting dates and the expiry date of such Options. The Board may also fix such other terms and conditions, not inconsistent with the Stock Option Plan, as the Board in its discretion may determine.

Generally, the number of Options granted to any Optionee is a function of the level of authority and responsibility of the Optionee, the contribution that has been made by the Optionee to the business and affairs of the Corporation, the number of Options that have already been granted to the Optionee and such other factors as management or the Compensation Committee may consider relevant.

With respect to the number of Options to be granted to the Named Executive Officers, the Chief Executive Officer submits his recommendations for consideration by the Compensation Committee. The Compensation Committee then reviews the recommendations of the Chief Executive Officer and submits its recommendations to the full Board. In determining the number of Options to be granted to the Named Executive Officers for 2021, the Compensation Committee considered the amount, term and vesting levels of existing Options and Performance Warrants held by the Named Executive Officers and also the number of Options remaining available for grant by the Corporation in the future to attract and retain talented technical and administrative staff. For information regarding the number of Options granted to the Named Executive Officers during the three most recently completed financial years, see "*Executive Compensation – Summary Compensation for Named Executive Officers*" and "*Executive Compensation – Incentive Plan Awards*". The Compensation Committee believes that these Options granted under the Stock Option Plan will provide above-market compensation to the Named Executive Officers only upon the significant enhancement of Shareholder value.

### Expiry Date, Black-Outs and Vesting

The Stock Option Plan provides that the expiry date of an Option shall be no later than 10 years from the date of grant of such Option. If the expiry date of an Option falls within a 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 (a “**Black-Out Period**”) or within two business days thereafter, the expiry date of such Option shall be automatically extended for a period of 10 business days following the end of the Black-Out Period.

All of the Options granted to date under the Stock Option Plan provide for: (i) the expiry of such Options not later than the fifth anniversary of the date of grant; and (ii) the vesting of such Options with respect to one-third of the Common Shares issuable thereunder on each of the first, second and third anniversaries of the date of grant.

### Exercise Price

The Stock Option Plan provides that the exercise price of an Option shall not be lower than the higher of: (i) the closing price of the Common Shares on the TSX on the first trading day immediately preceding the date of grant; or (ii) the lowest exercise price permitted by the TSX; provided that if the Common Shares are not listed and posted for trading on a stock exchange, the exercise price of an Option shall be the value determined by the Board on the date of grant.

### Restrictions on Number of Common Shares Issuable

The maximum number of Common Shares that are issuable under Options that are issued and outstanding at any time under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares actually issued and outstanding at that time, as determined on a non-diluted basis. The maximum number of Common Shares that may be issued under the Stock Option Plan to insiders of the Corporation within any one-year period and the maximum number of Common Shares that are issuable under the Stock Option Plan to insiders of the Corporation at any time, together with all Common Shares issuable to insiders under all other share compensation arrangements, may not exceed 10% of the outstanding Common Shares. The maximum number of Common Shares that may be issued under the Stock Option Plan to any single Optionee may not exceed 5% of the outstanding Common Shares.

Based on 266,156,127 Common Shares issued and outstanding at March 28, 2022, a maximum of 26,615,612 Common Shares (representing 10% of the issued and outstanding Common Shares) could be issued under the Stock Option Plan as at that date. At March 28, 2022, there was an aggregate of 18,739,400 Options issued and outstanding (representing approximately 7% of the issued and outstanding Common Shares), leaving 7,876,212 Common Shares (representing approximately 3% of the issued and outstanding Common Shares) available for issuance under the Stock Option Plan as at that date. For information regarding the number of Options issued and outstanding and available for issuance at December 31, 2021, see “*Securities Authorized for Issuance under Equity Compensation Plans*”.

### Amendments

The Board may at any time, but subject always to the receipt of required regulatory approvals, alter, amend or revise the terms and conditions of the Stock Option Plan or an outstanding Option, or suspend, discontinue or terminate the Stock Option Plan or a portion thereof, provided that, without the prior written consent of an Optionee, no such action shall adversely affect (except as specifically provided in the Stock Option Plan or an applicable Option agreement) any Options previously granted to such Optionee.

Any alteration, amendment or revision to the Stock Option Plan or any outstanding Options (other than any suspension, discontinuance or termination of the Stock Option Plan or any outstanding Options) is subject to the prior approval of Shareholders of the Corporation. Notwithstanding the foregoing, the Board has the power and authority to approve and effect certain amendments to the Stock Option Plan or a specific Option without further approval of the Shareholders of the Corporation, to the extent that such amendments relate to: (i) altering, extending or accelerating the terms and conditions of vesting applicable to any Option or group of Options; (ii) changing the termination provisions of an Option, provided such change does not entail an extension beyond the original expiry date of such Option; (iii) accelerating the expiry date of an Option; (iv) determining the adjustment

provisions pursuant to the Stock Option Plan; (v) amending the definitions contained within the Stock Option Plan and other amendments of a “housekeeping” nature; and (vi) amending or modifying the mechanics of exercise of the Options. Shareholder approval is specifically required for the Board to make amendments of the following nature: (i) to increase the maximum number or percentage of Common Shares that may be issued pursuant to Options granted under the Stock Option Plan; (ii) to reduce the exercise price of Options benefiting an insider; (iii) to alter the limits to insider participation as set forth in the Stock Option Plan; (iv) to extend the expiry date of Options for the benefit of an insider; and (v) to amend the amendment provisions of the Stock Option Plan.

During the year ended December 31, 2021, in accordance with the Stock Option Plan, the Board accelerated the vesting and extended the expiry dates of certain Options held by various employees of the Corporation who either retired or ceased to be employees during 2021. None of the foregoing amendments were made to any Options held by any officer, director or other insider of the Corporation. As set forth above, Shareholder approval was not required for such amendments and therefore was not obtained.

#### Cessation of Participation

The Stock Option Plan provides an Optionee who has ceased to be a participant under the Stock Option Plan for any reason a limited amount of time to exercise any or all of his or her vested Options, after which time such vested Options shall expire. All of such Optionee’s unvested Options expire immediately upon cessation of participation. Vested Options granted under the Stock Option Plan will expire on the earlier of: (i) the original expiry date; (ii) the date that is three years after the Optionee’s death; (iii) the date that is one year after the Optionee becomes permanently disabled; (iv) the date that is one year after the Optionee ceases to be a director; and (v) the date that is 30 days after the Optionee ceases to be a participant for any other reason. In the context of an Optionee ceasing to be a participant under the Stock Option Plan, the directors of the Corporation have the discretion to vest unvested Options and to extend the expiry date of Options, provided that such extended expiry date shall be no later than the earlier of the original expiry date of such Options and the third anniversary date of the date upon which the Optionee ceased to be a participant under the Stock Option Plan.

#### Assignability

The interest of any Optionee under the Stock Option Plan or under any Option agreement is not transferable or alienable by the Optionee either by assignment or in any other manner and, during his lifetime, is vested only in him, but, subject to the terms of the Stock Option Plan and of the Option agreement, shall enure to the benefit of and be binding upon his legal personal representatives.

#### Adjustment in Connection with Certain Corporate Events

In the event: (i) of any change or proposed change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; (ii) of any issuance, dividend or distribution to all or substantially all of the holders of Common Shares of any shares, securities, property or assets of the Corporation other than in the ordinary course; (iii) that any rights are granted to holders of Common Shares to purchase Common Shares at prices materially below fair market value; or (iv) that as a result of any recapitalization, merger, consolidation or otherwise the Common Shares are converted into or exchangeable for any other shares or securities; then in any such case: (v) the Board will proportionately adjust the number of Common Shares that underlie each Option, the number of Common Shares that are available for issuance pursuant to the exercise of all outstanding Options, the securities or other property that may be acquired upon the exercise of an Option and the exercise price of such Option, or one or more of the foregoing, to prevent substantial dilution or enlargement of the rights granted to, or available for, Optionees; and (vi) the Board may amend to an earlier date the date on which any or all unvested Options become vested Options and may decide whether such Options will remain as vested Options for a limited period of time only.

#### Change of Control

The Stock Option Plan contains various provisions that apply in the context of a transaction resulting in a “change of control” (as such term is defined in the Stock Option Plan). In most change of control situations, all unvested Options will be vested. In the context of a change of control where not less than 66<sup>2</sup>/<sub>3</sub>% of vested Options have been

exercised, all remaining unexercised Options shall expire and automatically terminate on the date of closing of the change of control transaction and the Corporation shall make a cash payment to the former holders of such Options in an amount equal to the “in-the-money” value of such expired Options at such time.

#### Performance Warrants

Performance Warrants were originally granted on January 18, 2005 at the founding of the Corporation as a long-term incentive to the members of the Corporation’s management team at the time and were not exercisable unless the trading price of the Common Shares exceeded \$6.00 for a period of 20 consecutive trading days. This condition was satisfied and all of the Performance Warrants have been exercisable since November 2005. On May 23, 2019, the Shareholders of the Corporation approved an amendment to the Performance Warrants to extend the expiry date from January 31, 2020 to January 31, 2025.

At March 28, 2022, the Corporation had 2,939,732 Performance Warrants outstanding, representing approximately 1% of the issued and outstanding Common Shares. Each Performance Warrant entitles the holder thereof to purchase one Common Share of the Corporation at an exercise price of \$3.00 per Common Share, which was the price at which the Corporation originally raised its initial \$60 million of equity financing. The Performance Warrants are held by Messrs. Tonken, Geremia and Bosman, each of whom is a Named Executive Officer, and by Mr. Surbey, who retired as Vice President, Corporate Development of the Corporation effective June 30, 2017 and is now a director of the Corporation. Mr. Geremia holds 50% of his Performance Warrants in trust for the benefit of his former spouse.

#### Executive Retirement Benefit

In 2018, the executive employment agreements between each of the Named Executive Officers and the Corporation (collectively, the “**Employment Agreements**”) were amended to provide for a lump sum cash payment to be made to each Named Executive Officer (the “**Executive Retirement Benefit**”) upon the Named Executive Officer meeting the following eligibility requirements at the time their employment ceases: (i) the Named Executive Officer shall have reached the age of 55; (ii) the Named Executive Officer shall have been employed by the Corporation for a consecutive period of at least 10 years; and (iii) the Named Executive Officer’s employment shall have been terminated by either the Corporation or the Named Executive Officer, other than termination by the Corporation for “Just Cause” as such term is defined in the Employment Agreements (collectively, the “**Eligibility Requirements**”).

If a Named Executive Officer meets the Eligibility Requirements, upon cessation of their employment with Birchcliff: (i) the Named Executive Officer (other than Mr. Tonken) will be entitled to an Executive Retirement Benefit equal to such Named Executive Officer’s “Annual Compensation” (as such term is defined in the Employment Agreements), which is in effect immediately prior to the cessation of employment, multiplied by 2.5; and (ii) in the case of Mr. Tonken, he will be entitled to an amount equal to his “Annual Compensation”, which is in effect immediately prior to the cessation of his employment, multiplied by 3.0. See “*Executive Compensation – Pension Plan Benefits*” and “*Executive Compensation – Termination and Change of Control Benefits*”.

#### Group Savings Plan and Benefits

Birchcliff generally provides the Named Executive Officers, along with all other employees, with the opportunity to voluntarily participate in the Group Savings Plan. The Corporation implemented the Group Savings Plan to assist employees in meeting their saving goals. Employees who join the Group Savings Plan contribute a percentage of their base salary each pay period and the Corporation matches the employee contributions to a maximum of 5% of the employee’s base salary. All employees are generally eligible to join the Group Savings Plan and vesting of the Corporation’s contribution is immediate. The Group Savings Plan is administered for the Corporation by an independent third party investment firm. Investment options include a suite of professionally managed investment funds. The Corporation deposits contributions with the investment firm on a semi-monthly basis and thereafter all investment decisions, transfers and withdrawals are completed directly between the employee and the third party investment firm.

In addition, the Named Executive Officers are provided with other employment benefits, including life insurance, disability insurance, extended health and dental coverage and a health care spending account.

### ***Risks of Compensation Policies and Practices***

The Board and Compensation Committee have overall responsibility for the Corporation's compensation risk oversight. The Board and Compensation Committee believe that Birchcliff's compensation program has been designed in such a way that prevents inappropriate risk-taking. While no program can fully mitigate risk, the following compensation policies and practices are used to identify and mitigate compensation risk:

- Significant weight is placed on long-term incentives to mitigate the risk of encouraging short-term goals at the expense of long-term sustainability.
- The discretionary nature of the bonus awards under the Bonus Plan and of the Option grants under the Stock Option Plan are significant elements of the Corporation's compensation program and provide the Board with the ability to reward historical performance and behaviour and encourage long-term future performance that the Board considers to be aligned with the Corporation's best interests. This large "at-risk" component mitigates the risk of compensation misalignment as it is not guaranteed and is variable year-over-year, depending on performance.
- All of the Options granted to date to the Named Executive Officers have a vesting period of three years and an expiry date of five years from the date of grant. This encourages the Named Executive Officers to continue to create Shareholder value over a longer period of time, provides a retention incentive and mitigates against the potential for short-term risk-taking.
- The compensation program is structured consistently for all Named Executive Officers.
- As discussed below, the Corporation prohibits its directors and officers from engaging in hedging-related activities in respect of the Corporation's securities.

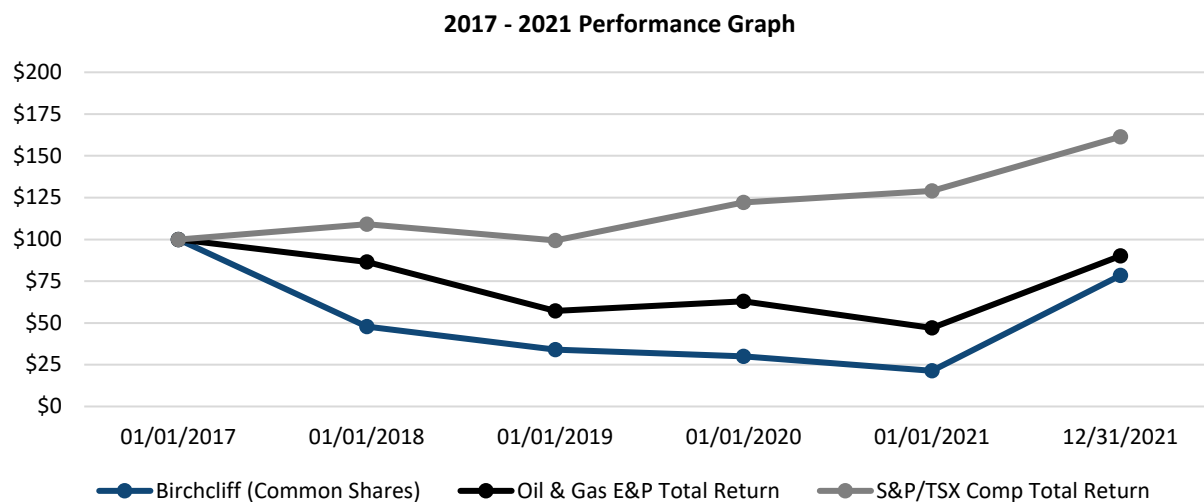
### ***Anti-Hedging Policy***

Birchcliff has a policy that prohibits its directors and officers from knowingly selling, directly or indirectly, a security of the Corporation if such person selling such security does not own or has not fully paid for the security to be sold. Directors and officers of the Corporation may not, directly or indirectly, sell a call or buy a put in respect of a security of the Corporation or any of its affiliates. Notwithstanding these prohibitions, a director or officer of the Corporation may sell a security which such person does not own if they own another security convertible into the security sold or an option or right to acquire the security sold and, within 10 days after the sale, such person: (i) exercises the conversion privilege, option or right and delivers the security so acquired to the purchaser; or (ii) transfers the convertible security, option or right, if transferable to the purchaser.

Hedging transactions involving directors and officers are also prohibited. Directors and officers may not, for the purpose of hedging to protect against a decrease in the market price or value of an equity-based award or securities of the Corporation, buy, sell or enter into any derivative instruments, agreements or securities, the market price, value or payment obligations of which are derived from, referenced to or based on the value of the applicable securities, or any other derivative instruments, agreements, arrangements, or understandings (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's or officer's economic interest in securities of, or economic exposure to, the Corporation.

## Performance Graph

The following graph compares Birchcliff's cumulative total shareholder return over the five most recently completed financial years with the cumulative total shareholder return on the S&P/TSX Composite Total Return Index and the Oil & Gas Exploration & Production Total Return Index, assuming a notional \$100.00 investment on the first day of the five year period and the reinvestment of all dividends.



	01/01/2017	01/01/2018	01/01/2019	01/01/2020	01/01/2021	12/31/2021
Birchcliff (Common Shares)	100.00	47.81	33.95	30.07	21.36	78.36
Oil & Gas E&P Total Return	100.00	86.41	57.22	62.91	47.01	90.06
S&P/TSX Comp Total Return	100.00	109.08	99.39	122.14	128.99	161.43

From January 1, 2017 to December 31, 2021, the closing trading price of the Common Shares decreased by 22% as compared to an increase of 61% for the S&P/TSX Composite Total Return Index and a decrease of 10% for the Oil & Gas Exploration & Production Total Return Index. Management believes that the Common Share performance over the period is largely a reflection of macroeconomic and industry conditions beyond Birchcliff's control, including an extended period of depressed commodity prices, which resulted in greater declines for junior and intermediate oil and natural gas producers as compared to senior producers, as well as political and regulatory uncertainty with respect to the oil and natural gas industry over the period.

The trading prices for the Corporation and the Oil & Gas Exploration & Production Total Return Index were disproportionately affected by the global economic downturn in 2020 as compared to the S&P/TSX Composite Total Return Index. This was due to a sharp decrease in crude oil demand caused by the implementation of measures to contain the spread of the COVID-19 pandemic which, combined with production and pricing decisions from OPEC, resulted in significant volatility in oil and natural gas commodity prices during 2020. These commodity prices recovered through 2021 following the peak of the COVID-19 pandemic, although trading prices for the Corporation and the Oil & Gas Exploration & Production Total Return Index did not see a proportionate increase during 2021.

An increase or decline in the trading price of the Common Shares has a direct impact on the current and future compensation values of Birchcliff's long-term incentives, namely Options granted under the Stock Option Plan and the Performance Warrants. Additionally, the performance of the Common Shares is considered by management and the Compensation Committee as part of the comprehensive annual review of corporate performance and is taken into account along with operational and financial performance metrics, in determining the Named Executive Officer's annual bonuses. With that said, executive compensation decisions are based on the broad range of factors discussed above and are not directly tied to the trading price of the Common Shares, particularly when the trading price is significantly influenced by external factors beyond Birchcliff's control.



## Summary Compensation for Named Executive Officers

The following table provides a summary of the compensation earned by each Named Executive Officer for the three most recently completed financial years:

Name and Principal Position <sup>(1)</sup>	Year	Salary (\$)	Option-based awards <sup>(2)</sup> (\$)	Annual incentive plans <sup>(3)</sup> (\$)	Pension value <sup>(4)</sup> (\$)	All other compensation <sup>(5)</sup> (\$)	Total compensation (\$)
Jeff Tonken <sup>(8)</sup> President and Chief Executive Officer	2021	560,000	622,000	700,000	–	28,000	1,910,000
	2020	560,000	158,000	700,000	–	28,000	1,446,000
	2019	541,000	376,000	600,000	–	491,840 <sup>(6)</sup>	2,008,840
Myles Bosman Vice President, Exploration and Chief Operating Officer	2021	522,500	622,000	700,000	184,674	26,125	2,055,299
	2020	522,500	158,000	700,000	179,592	26,125	1,586,217
	2019	505,000	376,000	600,000	174,650	317,881 <sup>(6)</sup>	1,973,531
Chris Carlsen Vice President, Engineering	2021	522,500	622,000	700,000	–	26,125	1,870,625
	2020	522,500	158,000	700,000	–	26,125	1,406,625
	2019	505,000	376,000	600,000	–	25,250	1,506,250
Bruno Geremia Vice President and Chief Financial Officer	2021	522,500	622,000	700,000	184,478	26,125	2,055,103
	2020	522,500	158,000	700,000	179,401	26,125	1,586,026
	2019	505,000	376,000	600,000	174,465	490,040 <sup>(6)(7)</sup>	2,145,505
David Humphreys Vice President, Operations	2021	522,500	622,000	700,000	185,052	26,125	2,055,677
	2020	522,500	158,000	700,000	179,960	26,125	1,586,585
	2019	505,000	376,000	600,000	175,008	25,250	1,681,258

(1) The titles set forth in the table represent the Named Executive Officer's title on December 31, 2021. Effective January 1, 2022 the titles of the Named Executive Officers were changed as follows: Mr. Tonken became Chief Executive Officer, Mr. Bosman became Executive Vice President, Exploration, Mr. Carlsen became President and Chief Operating Officer, Mr. Geremia became Executive Vice President and Chief Financial Officer and Mr. Humphreys became Executive Vice President, Operations. See "Executive Compensation – 2021 Year in Review".

(2) The Corporation has calculated the grant date fair value of the Options granted to the Named Executive Officers using the Black-Scholes-Merton model. The Corporation chose the Black-Scholes-Merton model because it is recognized as the most common methodology used for valuing Options and doing value comparisons. The following sets forth further details regarding the value of the Options granted during the three most recently completed financial years:

- During 2021, the Corporation granted 200,000 Options to each Named Executive Officer on December 14, 2021 in connection with its 2022 annual grant of Options. The value of each Option granted under International Financial Reporting Standards ("IFRS") was \$3.11 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.4 years; (ii) a historical volatility of 60.6%; (iii) a risk-free interest rate of 1.2%; and (iv) a dividend yield of 0.3%.
- During 2020, the Corporation granted 200,000 Options to each Named Executive Officer on December 10, 2020 in connection with its 2021 annual grant of Options. The value of each Option granted under IFRS was \$0.79 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.2 years; (ii) a historical volatility of 61.2%; (iii) a risk-free interest rate of 0.4%; and (iv) a dividend yield of 1.1%.
- The Corporation accelerated its 2020 annual grant of Options by approximately two months, to December 12, 2019, which resulted in the 2019 and 2020 annual grants both occurring in 2019. Accordingly, the Corporation granted 200,000 Options to each Named Executive Officer on each of February 19, 2019 (in connection with its 2019 annual grant) and on December 12, 2019 (in connection with its 2020 annual grant).  
The Options granted on February 19, 2019 were valued at \$236,000 for each Named Executive Officer. The value of each Option granted under IFRS was \$1.18 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.1 years; (ii) a historical volatility of 50.8%; (iii) a risk-free interest rate of 1.8%; and (iv) a dividend yield of 2.9%.  
The Options granted on December 12, 2019 were valued at \$140,000 for each Named Executive Officer. The value of each Option granted under IFRS was \$0.70 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 4.1 years; (ii) a historical volatility of 50.8%; (iii) a risk-free interest rate of 1.7%; and (iv) a dividend yield of 4.3%.

The aggregate number of Options held by each of the Named Executive Officers as at December 31, 2021 is disclosed in the table under the heading "Executive Compensation – Incentive Plan Awards – Outstanding Option-Based Awards".

- The amounts under "Annual incentive plans" represent cash bonuses that were paid under the Bonus Plan. The bonuses disclosed in the table for each year were earned in respect of performance for that year and paid in the following year. The only non-equity incentive plan the Corporation has is the Bonus Plan.
- The pension value relates to the Executive Retirement Benefit and reflects the compensatory changes in pensions in the year as set forth in the table under the heading "Executive Compensation – Pension Plan Benefits". The pension value of the Executive Retirement Benefit is determined in accordance with accounting for defined benefit obligations under IFRS and may not reflect the actual cash outlay for the periods indicated.
- The amounts under "All other compensation" reflect the matching contributions made by the Corporation on behalf of the Named Executive Officers under the Group Savings Plan (see "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Group Savings Plan and Benefits"). The value of perquisites received by each Named Executive Officer for the three most recently completed financial years, including property or other personal benefits that are not generally available to all employees, were not in the aggregate worth \$50,000 or more, or worth more than 10% of the Named Executive Officer's total salary for the financial year, and are therefore not reported in the table above.

- (6) In addition to the amounts described in Note 5 above for “*All other compensation*”, these amounts include \$464,790 for Messrs. Tonken and Geremia and \$292,631 for Mr. Bosman in 2019 relating to the extension of the Performance Warrants that was approved by Shareholders on May 23, 2019 (see “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants*”). The Corporation has calculated the incremental fair value of the extension of the Performance Warrants as at June 7, 2019, the effective date of the amendments, by taking the difference between the fair value of the outstanding Performance Warrants with the expiry date of January 31, 2025 (the “**extended term**”) and the fair value of the outstanding Performance Warrants with the previous expiry date of January 31, 2020 (the “**previous term**”). The Corporation has calculated the fair value of the extended term and previous term Performance Warrants held by the Named Executive Officers using the Black-Scholes-Merton model. The value of each previous term Performance Warrant under IFRS was \$0.74 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 0.7 years; (ii) a historical volatility of 50.7%; and (iii) a risk-free interest rate of 1.5%. The value of each extended term Performance Warrant under IFRS was \$1.32 and the Black-Scholes-Merton assumptions used were: (i) an initial expected life of 5.7 years; (ii) a historical volatility of 50.0%; and (iii) a risk-free interest rate of 1.5%.
- (7) With respect to the incremental fair value of the extension of the Performance Warrants in the amount of \$464,790 for Mr. Geremia, he holds 50% of his Performance Warrants in trust for the benefit of his former spouse. Mr. Geremia does not exercise control or direction over these securities.
- (8) Mr. Tonken also serves as a director of the Corporation; however, he receives no compensation in his capacity as a director of the Corporation.

The Corporation does not currently have any share-based awards or non-equity long-term incentive plans as such terms are defined in Form 51-102F6 – *Statement of Executive Compensation*.

The following table provides a comparison between the amount of total compensation reported in the summary compensation table above and the amount of compensation realized by the Named Executive Officers for each of the three most recently completed financial years:

Reported vs. Realized Named Executive Officer Total Compensation					
Name	Year	Total reported compensation (\$) <sup>(1)</sup>	Total realized compensation (\$) <sup>(2)</sup>	Realized vs. Reported compensation (\$)	Realized as a percentage of reported compensation (%)
Jeff Tonken	2021	1,910,000	1,302,263	(607,737)	68
	2020	1,446,000	1,302,953	(143,047)	90
	2019	2,008,840	1,180,664	(828,176)	59
Myles Bosman	2021	2,055,299	1,949,099 <sup>(3)</sup>	(106,200)	95
	2020	1,586,217	1,264,078	(322,139)	80
	2019	1,973,531	1,143,656	(829,875)	58
Chris Carlsen	2021	1,870,625	1,262,998	(607,627)	68
	2020	1,406,625	1,261,078	(145,547)	90
	2019	1,506,250	1,142,656	(363,594)	76
Bruno Geremia	2021	2,055,103	1,261,748	(793,355)	61
	2020	1,586,026	1,263,828	(322,198)	80
	2019	2,145,505	1,142,906	(1,002,599)	53
David Humphreys	2021	2,055,677	1,263,074	(792,603)	61
	2020	1,586,585	1,261,600	(324,985)	80
	2019	1,681,258	1,144,025	(537,233)	68

(1) Represents the total compensation for the Named Executive Officer as reported by Birchcliff pursuant to the requirements of Form 51-102F6 – *Statement of Executive Compensation* in the last column of the summary compensation table.

(2) Represents the total compensation actually received by the Named Executive Officer with respect to the applicable year, based on income as reported on the Named Executive Officer’s official tax slip, adjusted to reflect that annual bonuses paid pursuant to the Bonus Plan for a year are not paid until the following year. For example, the 2021 realized compensation above is the Named Executive Officer’s income as per their 2021 tax slip, minus the annual bonus paid in January 2021 (which applied to 2020 performance), plus the annual bonus paid in January 2022 (which applied to 2021 performance).

(3) Mr. Bosman’s total realized compensation reflects the exercise of 200,000 Options.

The differences between the amounts reported in the summary compensation table pursuant to regulatory requirements and the actual amounts realized by the Named Executive Officers show the impact that the trading price of the Common Shares has on the total compensation of Named Executive Officers. Additionally, the realized amounts eliminate the effects of the pension plan amounts that are required to be reported as a result of accounting accruals with respect to the Executive Retirement Benefit, as the Named Executive Officers have not received these amounts and are not entitled to them until the Eligibility Requirements are met. See “*Executive Compensation –*

Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit” and “Executive Compensation – Pension Plan Benefits”.

## Incentive Plan Awards

### Outstanding Option-Based Awards

The following table sets forth information in respect of all option-based awards (consisting of Options and Performance Warrants) that were outstanding at the end of the financial year ended December 31, 2021 for the Named Executive Officers:

Name	Number of securities underlying unexercised Options or Performance Warrants		Exercise price (\$)	Expiration date	Value of unexercised in-the-money Options or Performance Warrants <sup>(1)</sup> (\$)
	Warrants	(#)			
Jeff Tonken		200,000 <sup>(2)</sup>	3.07	February 19, 2023	678,000
		200,000 <sup>(2)</sup>	3.55	February 19, 2024	582,000
		200,000 <sup>(2)</sup>	2.32	December 12, 2024	828,000
		200,000 <sup>(2)</sup>	1.81	December 10, 2025	930,000
		809,933 <sup>(3)</sup>	3.00	January 31, 2025	2,802,368
		200,000 <sup>(2)</sup>	6.54	December 14, 2026	–
Myles Bosman		200,000 <sup>(2)</sup>	3.55	February 19, 2024	582,000
		200,000 <sup>(2)</sup>	2.32	December 12, 2024	828,000
		200,000 <sup>(2)</sup>	1.81	December 10, 2025	930,000
		509,933 <sup>(3)</sup>	3.00	January 31, 2025	1,764,368
		200,000 <sup>(2)</sup>	6.54	December 14, 2026	–
Chris Carlsen		200,000 <sup>(2)</sup>	3.07	February 19, 2023	678,000
		200,000 <sup>(2)</sup>	3.55	February 19, 2024	582,000
		200,000 <sup>(2)</sup>	2.32	December 12, 2024	828,000
		200,000 <sup>(2)</sup>	1.81	December 10, 2025	930,000
		200,000 <sup>(2)</sup>	6.54	December 14, 2026	–
Bruno Geremia		200,000 <sup>(2)</sup>	3.07	February 19, 2023	678,000
		200,000 <sup>(2)</sup>	3.55	February 19, 2024	582,000
		200,000 <sup>(2)</sup>	2.32	December 12, 2024	828,000
		200,000 <sup>(2)</sup>	1.81	December 10, 2025	930,000
		809,933 <sup>(3)(4)</sup>	3.00	January 31, 2025	2,802,368
		200,000 <sup>(2)</sup>	6.54	December 14, 2026	–
David Humphreys		200,000 <sup>(2)</sup>	3.07	February 19, 2023	678,000
		200,000 <sup>(2)</sup>	3.55	February 19, 2024	582,000
		200,000 <sup>(2)</sup>	2.32	December 12, 2024	828,000
		200,000 <sup>(2)</sup>	1.81	December 10, 2025	930,000
		200,000 <sup>(2)</sup>	6.54	December 14, 2026	–

(1) Value is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2021 (being the last trading day of the year) of \$6.46 and the exercise price of the Options or Performance Warrants, as applicable.

(2) Represents Options.

(3) Represents Performance Warrants.

(4) 50% of this amount is held in trust for the benefit of Mr. Geremia’s former spouse. Mr. Geremia does not exercise control or direction over these securities.

For a more detailed description of the Stock Option Plan and the process used by the Corporation to grant option-based awards to the Named Executive Officers, see “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan”. For a more detailed description of the Performance Warrants, see “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants”.

### Value Vested or Earned During the Year

The following table sets forth information in respect of the value of incentive plan awards vested or earned during the Corporation's financial year ended December 31, 2021, in respect of option-based and non-equity incentive plan awards for the Named Executive Officers:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year <sup>(2)</sup> (\$)
Jeff Tonken	607,998	700,000
Myles Bosman	607,998	700,000
Chris Carlsen	607,998	700,000
Bruno Geremia	607,998	700,000
David Humphreys	607,998	700,000

(1) Value is calculated for each of the Options based on the difference between the closing price of the Common Shares on the TSX on the vesting date for such Options or, if such day was not a trading day, the following trading day, and the exercise price of the Options.

(2) Non-equity incentive plan compensation represents the cash bonuses earned under the Bonus Plan for the financial year ended December 31, 2021.

### Pension Plan Benefits

The Executive Retirement Benefit constitutes a defined benefit plan under IFRS. The following table sets forth information in respect of such defined benefit plan for the financial year ended December 31, 2021:

Name	Number of years of credited service <sup>(1)</sup>	Annual benefits payable (\$)		Opening present value of defined benefit obligation (\$) <sup>(5)</sup>	Compensatory change (\$) <sup>(6)</sup>	Non-compensatory change (\$) <sup>(7)</sup>	Closing present value of defined benefit obligation (\$) <sup>(3)(5)</sup>
		At year end <sup>(3)</sup>	At age 62 <sup>(4)</sup>				
Jeff Tonken	15 <sup>(2)</sup>	3,595,072	3,595,072	3,595,072	–	–	3,595,072
Myles Bosman	12	2,239,325	3,647,322	1,996,230	184,674	58,421	2,239,325
Chris Carlsen	– <sup>(2)</sup>	–	–	–	–	–	–
Bruno Geremia	11	2,050,536	3,746,544	1,812,829	184,478	53,229	2,050,536
David Humphreys	10	2,010,172	3,784,515	1,773,011	185,052	52,109	2,010,172

(1) Reflects the number of accrued years of credited service for each Named Executive Officer at December 31, 2021 for the purposes of determining the defined benefit obligation under IFRS. Each Named Executive Officer's credited years of service begins at the: (i) initial year of employment; or (ii) age of 45, whichever is later, and ends at the age of 62, the year when it is expected that the Executive Retirement Benefit for each Named Executive Officer will be fully realized.

(2) Mr. Tonken was employed by the Corporation and had reached the age of 45 at the time of its incorporation on July 6, 2004 and therefore his years of accrued credited service begin at that date. Mr. Carlsen had not reached the age of 45 at December 31, 2021 and therefore was not eligible for any accrued credited years of service or Executive Retirement Benefit for the periods indicated.

(3) Reflects the Executive Retirement Benefit obligation to each Named Executive Officer based on the number of accrued years of credited service and is determined using actuarial assumption and methods at December 31, 2021 in accordance with IFRS. If a Named Executive Officer does not meet the Eligibility Requirements prior to termination, the Executive Retirement Benefit obligation is nil. At December 31, 2021, Messrs. Tonken, Bosman, Geremia and Humphreys met the Eligibility Requirements and the annual benefit payable to Mr. Carlsen was nil. See "Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit" and "Executive Compensation – Termination and Change of Control Benefits".

(4) In determining the annual benefits payable for financial statement reporting purposes, the Corporation assumes that at age 62 each Named Executive Officer's service to Birchcliff will be substantially realized. The Executive Retirement Benefit obligation disclosed may not reflect the actual cash outlay expected for each Named Executive Officer for the periods indicated.

(5) The defined benefit obligation is the estimated present value of the pension obligation using the actuarial assumptions and methods that are consistent with those used in determining the pension obligation under IFRS as disclosed by Birchcliff in its annual audited financial statements for the year ended December 31, 2021. The methods and assumptions used to determine the estimated amounts may not be identical to those used by other companies and as a result may not be directly comparable to the amounts disclosed by other companies.

- (6) The amounts under “Compensatory change” represent the increase (decrease) in the pension obligation related to: past and current service costs; compensation changes higher or lower than the accrual assumptions used in Birchcliff’s annual audited financial statements for the year ended December 31, 2021; and the impact of plan changes, if any. This amount may fluctuate significantly from year-to-year as any changes in compensation impact the pension plan obligation. The compensatory change for 2021 was determined using actuarial assumptions and methods that are consistent with those used in determining the pension obligation under IFRS and reflects the service costs from December 31, 2020 to December 31, 2021.
- (7) The amounts under “Non-compensatory change” include items such as, but not limited to, interest on the obligation, changes in assumptions for future salary projections and changes to the discount rate.

See “Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit” and “Executive Compensation – Termination and Change of Control Benefits”. The Corporation does not have a defined contribution plan.

### Termination and Change of Control Benefits

Each of the Named Executive Officers is a party to an Employment Agreement with the Corporation. The Employment Agreements are for an indefinite term and contain provisions for certain payments to be made to each of the Named Executive Officers upon: (i) the termination of a Named Executive Officer without just cause; (ii) the resignation of a Named Executive Officer following a change of control (as such term is defined in the Employment Agreements) or constructive dismissal; or (iii) a change of duties or remuneration of a Named Executive Officer following a change of control (collectively, the “**Employment Agreement Termination Payments**”).

The following table sets forth a summary of the potential payments and other benefits that are payable or otherwise provided to the Named Executive Officers pursuant to the Employment Agreements upon the occurrence of the triggering events set forth below, as well as certain conditions and obligations related to the Named Executive Officer’s employment as provided for in the Employment Agreements:

Triggering Event	Potential Payments and Benefits
Termination without just cause, resignation within 30 days following a change of control or constructive dismissal, or a change of duties or remuneration following a change of control	<ul style="list-style-type: none"> <li>A lump sum equal to: (i) the Named Executive Officer’s current annual salary owed to the date of termination; and (ii) an amount equal to “Annual Compensation”<sup>(1)</sup> multiplied by two<sup>(2)</sup>.</li> <li>All outstanding and accrued vacation pay.</li> <li>All previously unvested convertible or exchangeable securities to acquire Common Shares or other securities of the Corporation will become immediately exercisable and shall remain exercisable until the later of 180 days following the date of termination and January 31 of the following calendar year.</li> <li>The Corporation will continue to maintain all of the Named Executive Officer’s Corporation-paid life, medical and dental insurance benefits at the level existing as at the date of a change of control or the date of termination until: (i) the Named Executive Officer obtains alternative employment that provides employment benefits of a comparable nature; (ii) the death of the Named Executive Officer; or (iii) a period of two months from the date of termination shall have expired, whichever should first occur<sup>(2)</sup>.</li> <li>Confidentiality obligations and non-solicitation of employees for a period of one year following termination.</li> </ul>
Termination for just cause	<ul style="list-style-type: none"> <li>Any unpaid portion of salary accrued to the date of termination, any amounts due for unused vacation and any outstanding expenses not yet reimbursed.</li> <li>Confidentiality obligations and non-solicitation of employees for a period of one year following termination.</li> </ul>

(1) “Annual Compensation” is defined in the Employment Agreements to generally mean the sum of: (i) the annual salary of the Named Executive Officer in effect at the date of termination; plus (ii) the simple average of the aggregate amount the Named Executive Officer has received or is entitled to receive from Birchcliff in respect of each of the last two fiscal years ended prior to the date of termination pursuant to any profit sharing, officer or employee incentive, compensation or bonus program; plus (iii) the annual cost of providing the Named Executive Officer with the employment benefits to which such officer is entitled.

(2) As at December 31, 2021, each of Messrs. Tonken, Bosman, Geremia and Humphreys have reached the age of 55 and been employed by Birchcliff for a consecutive period of 10 years. Accordingly, in the event of the termination of their employment (other than for just cause), they would only be entitled to the Executive Retirement Benefit and would not be entitled to the Employment Agreement Termination Payment or the benefits described above.

Each of the Employment Agreements was amended effective December 14, 2018 (collectively, the “**Amending Agreements**”). The Amending Agreements provide that, notwithstanding the terms of the Employment Agreement, the Named Executive Officers shall be entitled to the Executive Retirement Benefit if they meet the Eligibility Requirements. Upon meeting the Eligibility Requirements, each of the Named Executive Officers will be entitled to their respective Executive Retirement Benefit at the time their employment with Birchcliff ceases. See “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Executive Retirement Benefit*”. The Executive Retirement Benefit provides for the treatment of securities convertible into or exchangeable for Common Shares in the same manner as if the Named Executive Officer was terminated other than for “Just Cause” pursuant to the Employment Agreement. If a Named Executive Officer receives payment of the Executive Retirement Benefit, he shall not be entitled to any other benefit, amount or payment pursuant to the provisions of his Employment Agreement dealing with remuneration, benefits and termination (including the Employment Agreement Termination Payment described above), or any other severance payment or compensation for loss of employment pursuant to the common law or otherwise.

The following table sets forth the estimated incremental payments and benefits that would be received by Messrs. Tonken, Bosman, Geremia and Humphreys pursuant to their respective Employment Agreements, as amended by their Amending Agreements, upon the termination of their employment (other than for just cause), assuming the date of termination was December 31, 2021:

<b>Name</b>	<b>Termination of Employment (other than for just cause)</b>
Jeff Tonken	Executive Retirement Benefit: \$3,869,206 <sup>(1)</sup> Accelerated Option Vesting Value: \$1,090,005 <sup>(2)</sup> Total: \$4,959,211
Myles Bosman	Executive Retirement Benefit: \$3,111,677 <sup>(1)</sup> Accelerated Option Vesting Value: \$1,090,005 <sup>(2)</sup> Total: \$4,201,682
Bruno Geremia	Executive Retirement Benefit: \$3,102,552 <sup>(1)</sup> Accelerated Option Vesting Value: \$1,090,005 <sup>(2)</sup> Total: \$4,192,557
David Humphreys	Executive Retirement Benefit: \$3,112,243 <sup>(1)</sup> Accelerated Option Vesting Value: \$1,090,005 <sup>(2)</sup> Total: \$4,202,248

(1) This amount represents the value of the estimated Executive Retirement Benefit as at December 31, 2021. As at December 31, 2021, each of Messrs. Tonken, Bosman, Geremia and Humphreys have reached the age of 55 and been employed by Birchcliff for a consecutive period of 10 years. Accordingly, in the event of the termination of his employment (other than for just cause), they would only be entitled to the Executive Retirement Benefit and would not be entitled to the Employment Agreement Termination Payment or the benefits described above.

(2) Calculated based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 31, 2021 (being the last trading day of the year) of \$6.46) and the exercise price of the Options.

The following table sets forth the estimated incremental payments and benefits that would be received by Mr. Carlsen pursuant to his Employment Agreement upon the occurrence of the triggering events set forth in the table below, in each case assuming the date of the triggering event was December 31, 2021:

<b>Name</b>	<b>Termination of Employment Without Just Cause, Resignation Following a Change of Control or a Constructive Dismissal, or a Change of Duties or Remuneration Following a Change of Control<sup>(1)</sup></b>
Chris Carlsen	Payment Pursuant to Employment Agreement: \$2,489,791 <sup>(2)</sup> Accelerated Option Vesting Value: \$1,090,005 <sup>(3)</sup> Total: \$3,579,796

(1) As at December 31, 2021, Mr. Carlsen was not eligible for the Executive Retirement Benefit as he had not met the Eligibility Requirements.

(2) Includes the total value of the “Annual Compensation” as defined in the Employment Agreements multiplied by two and assumes no salary or vacation pay owing at the date of termination. In addition, the Employment Agreements provide that the Corporation will continue to maintain all of the Named Executive Officer’s Corporation-paid life, medical and dental insurance benefits at the level existing as at the date of a change of control or the date of termination until: (i) the Named Executive Officer obtains alternative employment that provides employment benefits of a comparable nature; (ii) the death of the Named Executive Officer; or (iii) a period of two months from the date of termination shall have expired, whichever should first occur. At December 31, 2021, the value

of such benefits for a period of two months from the date of the triggering event was equal to approximately \$3,000.

- (3) Calculated based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 31, 2021 (being the last trading day of the year) of \$6.46) and the exercise price of the Options.

In addition, the Stock Option Plan contains various provisions that apply in the context of a transaction resulting in a “change of control” (as such term is defined in the Stock Option Plan). In most change of control situations, all unvested Options will be vested. In the context of a change of control where not less than 66<sup>2</sup>/<sub>3</sub>% of vested Options have been exercised, all remaining unexercised Options shall expire and automatically terminate on the date of closing of the change of control transaction and the Corporation shall make a cash payment to the former holders of such Options in an amount equal to the “in-the-money” value of such expired Options at such time. Assuming a change of control occurred on December 31, 2021, the estimated incremental value of the unvested Options for which vesting would be accelerated for each of the Named Executive Officers was \$1,090,005 based on the difference between the market price of the Common Shares underlying the accelerated Options (which is based on the closing price of the Common Shares on the TSX on December 31, 2021 of \$6.46) and the exercise price of the Options.

## DIRECTOR COMPENSATION

### Summary Compensation for Directors

Matters related to the compensation of the non-employee directors of the Corporation are approved by the Compensation Committee, which then makes a recommendation to the full Board for approval. Compensation for the non-employee directors of the Corporation currently consists of an annual retainer and a fee for each meeting of the Board or any committee thereof attended. Meeting fees are typically paid periodically throughout the year and the annual retainer is typically paid following the annual meeting of Shareholders of the Corporation. During the financial year ended December 31, 2021, the per meeting fees were \$1,500. The retainer for the period from January 1, 2021 to May 12, 2021 was \$130,000, which was subsequently increased to \$140,000 following the annual meeting of Shareholders held on May 13, 2021. Neither Mr. Tonken nor Mr. Surbey receive any compensation in their capacity as directors of the Corporation. Mr. Surbey receives compensation as an employee of the Corporation, all of which is set forth in the table below. Compensation information for Mr. Tonken is provided under the heading “Executive Compensation – Summary Compensation for Named Executive Officers”.

While the directors may be granted Options under the Stock Option Plan, no Options have been granted to non-employee directors since 2011. Mr. Surbey was previously granted Options in his capacity as an executive officer of the Corporation and was last granted Options on February 13, 2017. Mr. Surbey has not been granted any Options in his capacity as a director of the Corporation.

The following table sets forth information in respect of all amounts of compensation provided to the directors of the Corporation for the financial year ended December 31, 2021, excluding Mr. Tonken:

Name	Annual retainer and meeting fees earned (\$)	Option-based awards (\$)	All other compensation <sup>(1)</sup> (\$)	Total (\$)
Dennis Dawson	191,000	–	15,724	206,724
Debra Gerlach	191,000	–	25,123	216,123
Stacey McDonald	191,000	–	29,216	220,216
James Surbey <sup>(2)</sup>	–	–	176,746	176,746

(1) Includes: (i) life and medical insurance premiums and Best Doctors Medical Access and medical travel insurance; (ii) reimbursement of amounts under the Corporation’s health care spending account; (iii) taxable parking benefits in the case of Mr. Surbey; and (iv) additional medical benefits in the case of Ms. Gerlach, Ms. McDonald and Mr. Surbey.

(2) Mr. Surbey receives compensation as an employee of Birchcliff and therefore does not receive compensation in his capacity as a director. “All other compensation” in the table refers to Mr. Surbey’s employment compensation, including his annual salary and vacation pay of \$155,000, as well as the benefits set out above.

## Incentive Plan Awards

### Outstanding Option-Based Awards

At December 31, 2021, there were no outstanding option-based awards held by the directors of the Corporation, other than Mr. Tonken and Mr. Surbey. As discussed above, Mr. Surbey was previously granted Options in his capacity as an executive officer of the Corporation. Mr. Surbey was also granted Performance Warrants in 2005.

The following table sets forth information in respect of all option-based awards (consisting of Options and Performance Warrants) that were outstanding at the end of the financial year ended December 31, 2021 for Mr. Surbey:

Name	Number of securities underlying unexercised Options or Performance Warrants		Exercise price (\$)	Expiration date	Value of unexercised in-the-money Options or Performance Warrants <sup>(1)</sup> (\$)
	(#)	(#)			
James Surbey	100,000 <sup>(2)</sup>		7.85	March 18, 2022	–
	809,933 <sup>(3)</sup>		3.00	January 31, 2025	2,802,368

(1) Value is calculated based on the difference between the closing price of the Common Shares on the TSX on December 31, 2021 (being the last trading day of the year) of \$6.46 and the exercise price of the Options or Performance Warrants, as applicable.

(2) Represents Options.

(3) Represents Performance Warrants.

For a more detailed description of the Stock Option Plan and the Performance Warrants, see “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan*” and “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants*”, respectively.

### Value Vested or Earned During the Year

During the financial year ended December 31, 2021, no value vested in respect of any option-based awards held by any of the directors and no non-equity incentive plan compensation was earned by any of the directors, other than Mr. Tonken. See “*Executive Compensation – Incentive Plan Awards – Value Vested or Earned During the Year*”.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the details relating to the outstanding equity compensation plans of the Corporation at December 31, 2021:

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options, Performance Warrants and rights (A)	Weighted-average exercise price of outstanding Options, Performance Warrants and rights (B)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding those reflected in column (A)) (C)
Equity compensation plans approved by Shareholders <sup>(1)</sup>	Options: 23,116,919	Options: \$3.96	Options: 3,362,121 <sup>(2)</sup>
	Performance Warrants: 2,939,732	Performance Warrants: \$3.00	Performance Warrants: Nil
	Options and Performance Warrants: 26,056,651	Options and Performance Warrants: \$3.85	Options and Performance Warrants: 3,362,121
Equity compensation plans not approved by Shareholders	Nil	N/A	N/A

(1) For a description of the Stock Option Plan and the Performance Warrants, see “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – The Stock Option Plan*” and “*Executive Compensation – Compensation Discussion and Analysis – Elements of Compensation – Performance Warrants*”, respectively.

(2) The maximum number of Common Shares issuable under Options that are issued and outstanding at any time under the Stock Option Plan shall not exceed 10% of the aggregate number of Common Shares actually outstanding at that time, as determined on a non-diluted basis. At December 31, 2021, there were 264,790,404 Common Shares issued and outstanding and accordingly, a maximum of 26,479,040 Common Shares could be issued under the Stock Option Plan as at that date. At December 31, 2021, there was an aggregate of 23,116,919 Options issued and outstanding (representing approximately 9% of the issued and



outstanding Common Shares), leaving 3,362,121 Common Shares (representing approximately 1% of the issued and outstanding Common Shares) available for issuance under the Stock Option Plan as at that date.

The following table sets forth the number of Options granted during the three most recently completed financial years and the potential dilutive effect of such Options:

Plan <sup>(1)</sup>	Year	Weighted-average Common Shares		
		Number of Options Granted (A)	Outstanding <sup>(2)</sup> (B)	Burn Rate (A)/(B) <sup>(3)</sup> (C)
Stock Option Plan	2021	5,689,100	265,990,029	2.14% <sup>(4)</sup>
	2020	5,403,200	265,936,367	2.03% <sup>(5)</sup>
	2019	10,107,200	265,929,516	3.80% <sup>(6)</sup>

- (1) Performance Warrants are not included in this table as the Corporation has not issued any Performance Warrants since 2005. Accordingly, the burn rate for the past three financial years for the Performance Warrants is zero.
- (2) The weighted average number of Common Shares outstanding during the year is the number of Common Shares outstanding at the beginning of the year, adjusted by the number of Common Shares bought back or issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the Common Shares are outstanding as a proportion of the total number of days in the year.
- (3) The burn rate is calculated as follows and expressed as a percentage: (i) the number of Options granted under the Stock Option Plan during the applicable financial year, divided by (ii) the weighted average number of Common Shares outstanding for the applicable financial year.
- (4) Options granted on December 14, 2021 relate to 2022 compensation. See *“Executive Compensation – Summary Compensation for Named Executive Officers”*.
- (5) Options granted on December 10, 2020 relate to 2021 compensation.
- (6) Included in the 2019 year were 5,095,000 Options granted on December 12, 2019 that relate to the 2020 year. Excluding these amounts, the Corporation’s burn rate for 2019 would have been 1.88%. See *“Executive Compensation – Summary Compensation for Named Executive Officers”*.

## CORPORATE GOVERNANCE DISCLOSURE

### Board of Directors

The Board currently consists of five directors, three of whom are independent. Accordingly, a majority of the directors are independent. Birchcliff considers a director to be “independent” if the director is independent within the meaning of Section 1.4 of National Instrument 52-110 – *Audit Committees (“NI 52-110”)*. The current independent directors are Dennis Dawson, Debra Gerlach and Stacey McDonald. Mr. Tonken is not considered to be an independent director by virtue of his position as the Chief Executive Officer of the Corporation. Mr. Surbey, who served as the Vice President, Corporate Development and Corporate Secretary of the Corporation until June 30, 2017, is not considered to be an independent director due to the fact that he is an employee of the Corporation. At the Meeting, Shareholders will be asked to elect each of the current directors of the Corporation. See *“Business of the Meeting – Election of Directors”*.

Mr. Tonken has been the Chairman of the Board since May 11, 2017. As Mr. Tonken is not considered independent, Mr. Dawson was appointed as the independent Lead Director at that time. The primary role of the Lead Director is to act as a liaison between the independent directors of the Board and the management of the Corporation to ensure that the Board is organized properly, functions effectively and meets its obligations and responsibilities. In furtherance of these responsibilities, the duties of the Lead Director include: (i) assisting the Chairman of the Board in ensuring that the Board is able to function independently of management; (ii) chairing the *in camera* portions of the Board meetings held without the management of the Corporation or any non-independent director being present; and (iii) acting as a liaison between the Chairman and the independent directors on sensitive issues.

Independent Board members conduct *in camera* sessions following regularly scheduled Board meetings unless the directors decide that one is not required. During the year ended December 31, 2021, a total of 16 *in camera* sessions were held by the independent directors of the Corporation. In addition, the Board facilitates open and candid discussion among its independent directors by encouraging the independent directors to meet by themselves whenever they wish to do so and by ensuring that there is the opportunity for the independent directors to meet without any members of management present at meetings of the Audit Committee, the Compensation Committee, the EHSS Committee, the Nominating Committee and the Reserves Evaluation Committee. The independent directors, as members of the Audit Committee and the Reserves Evaluation Committee, also meet privately with the Corporation’s auditors and the Corporation’s independent qualified reserves evaluator for the purposes of planning their activities and thereafter to supervise such activities. These meetings also ensure that the auditors and the independent qualified reserves evaluator have an opportunity to: (i) advise if they received full access to all

requested information and received full cooperation of management; and (ii) confirm that they are not subject to any pressure from management, that there are no outstanding disagreements with management, that they are not aware of any evidence of illegal or fraudulent acts and that they are not aware of any other significant matters that should be brought to the attention of the independent directors.

### Meeting Attendance

During 2021, the Board and committee meeting attendance rate was 100%. The attendance record of each of the directors for the Board and the Board committee meetings held in 2021 is set forth in the table below:

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation Committee Meetings Attended	Reserves Evaluation Committee Meetings Attended	Nominating Committee Meetings Attended
Dennis Dawson	17 of 17	6 of 6	5 of 5	4 of 4	2 of 2
Debra Gerlach	17 of 17	6 of 6	5 of 5	4 of 4	2 of 2
Stacey McDonald	17 of 17	6 of 6	5 of 5	4 of 4	2 of 2
James Surbey	17 of 17	N/A	N/A	4 of 4	N/A
Jeff Tonken (Chairman)	17 of 17	N/A	N/A	N/A	N/A

### Other Directorships

Ms. McDonald sits on the board of directors of one other reporting issuer: Bonterra Energy Corp. Other than Ms. McDonald, none of Birchcliff's directors are directors of any other reporting issuer.

### Board Mandate

The Board does not have a written mandate. The Board delineates its role and responsibilities based on the statutory and common law applicable to the Corporation, as well as through ongoing evaluation and review with management of the current needs of the Corporation. Based on these factors, the Board acts on its mandate to oversee and direct the management of the business and affairs of the Corporation. While day-to-day management of the Corporation has been delegated by the Board to Birchcliff's executive officers, the Board fulfills its responsibility for the broader stewardship of the Corporation's business and affairs through its regular meetings at which members of the Corporation's management report to the Board with respect to the Corporation's business and operations, make proposals to the Board and receive the Board's decisions for implementation.

To monitor corporate performance, the Board reviews and approves budgets prepared by management on at least an annual basis and periodically receives production updates and internal financial reports. The Board also receives operational, financial and health, safety and environment reports on at least a quarterly basis. In addition, the Board receives informal updates from the Chief Executive Officer on a regular basis. After the end of each year, the Board reviews production growth, finding and development costs, outstanding debt and cash flow as compared to the Corporation's budget.

### Position Descriptions

The Board has developed and approved written position descriptions for the Chairman of the Board, the Chief Executive Officer and the Chair of each committee of the Board, which can be found on the Corporation's website at <http://birchcliffenergy.com/investors/corporate-governance/>.

The principal role of the Chairman of the Board is to organize and manage the affairs of the Board and provide overall leadership to the Board in order for it to function effectively and fulfill its duties and responsibilities. The principal role of the Chief Executive Officer is to provide overall leadership and direction for the Corporation in accordance with the corporate strategy and objectives approved by the Board. The Chief Executive Officer is ultimately responsible for all day-to-day management decisions and for implementing the Corporation's current and long-term

objectives. The principal role of the Chair of any committee of the Board is to organize and manage the business of the committee.

### **Orientation and Continuing Education**

As new directors join the Board, they are provided with a director's information package, which includes, among other things, copies of the Corporation's Board committee mandates and other corporate governance documents, copies of various corporate policies and copies of the Corporation's constating documents, as well as financial reports, press releases and other continuous disclosure documents of the Corporation. The new director is provided with time to meet with each of the other directors and members of Birchcliff's executive and senior management. These meetings are provided in order for the new director to understand the business, as well as to interact with management and gain an understanding of their respective responsibilities. The Board believes that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation and the experience and expertise of the directors.

The Board supports any relevant educational initiative by any individual director and will reimburse directors for expenses for continuing education programs that relate to their role as a director of Birchcliff, including applicable continuing professional development programs relating to a director's professional designation. In 2021, Birchcliff's directors attended various continuing education and professional development programs and conferences, including seminars and webcasts. Ms. Gerlach attended the Chartered Professional Accountants of Canada's conference for audit committees and the Chartered Professional Accountants of Alberta's conference for oil and gas.

Birchcliff also provides continuing education opportunities with respect to the business and operations. At quarterly meetings, the Board receives an update on Birchcliff's business, operations and performance and a memorandum from management on accounting policy changes and the Corporation's internal controls. In addition, management periodically provides the Board with continuing education materials relating to Birchcliff, the oil and natural gas industry and/or current issues relating to directors in Canada. The Board is also able to obtain legal and accounting advice whenever it considers it necessary to keep abreast of current developments relating to the obligations of directors.

### **Ethical Business Conduct**

The Board has adopted a written policy of ethical business conduct (the "**Ethics Policy**") for the directors, officers and employees of the Corporation. A copy of the Ethics Policy is available on the Corporation's intranet site and each new employee receives a copy of the Ethics Policy. The Board does not formally monitor compliance with the Ethics Policy; however, all employees agree to comply with all of the Corporation's policies when they commence employment with the Corporation. Any non-compliance with the Ethics Policy would be addressed by management and could result in discipline up to and including termination. The executive officers of Birchcliff would also report to the Board any non-compliance that would have a material impact on Birchcliff. A copy of the Ethics Policy may be obtained by contacting the Corporate Secretary of the Corporation. See "*Additional Information*".

The Board expects that each director will exercise independent judgment in considering transactions and agreements in respect of which such director has a material interest and in those circumstances will comply with applicable law and disclose his or her interest and refrain from participating in discussions or voting on the matter, in accordance with the requirements of the ABCA.

The Audit Committee and the Board have adopted a Whistleblower Policy to provide for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Under the Whistleblower Policy, the Board encourages the submission of all good faith concerns and complaints regarding the Corporation's accounting, auditing and financial reporting matters and provides that no retaliation of any kind is permitted against any individual for complaints or concerns made in good faith.

### **Nomination of Directors**

The Nominating Committee assists the Board in fulfilling its responsibilities with respect to nominations of directors. The members of the Nominating Committee are Dennis Dawson (Chair), Debra Gerlach and Stacey McDonald, all of

whom are independent. As set out in its charter, the Nominating Committee is responsible for, among other things: (i) periodically reviewing the size and composition of the Board and making recommendations to the Board with respect thereto; (ii) periodically evaluating the effectiveness of the Board as a whole, the committees of the Board and the contributions of the individual directors and reporting to the Board thereon; and (iii) making recommendations to the Board regarding the criteria for potential director candidates and identifying and recommending to the Board suitable candidates to be appointed or nominated for election as directors, including at annual meetings of Shareholders of the Corporation. In making recommendations to the Board regarding director nominations, the Nominating Committee considers all relevant factors, including: (i) the needs of the Corporation and its stage of development; (ii) the competencies and skills that are considered necessary for the Board, as a whole, to possess; (iii) the competencies and skills that each existing director possesses; (iv) the competencies and skills any new nominee would bring to the Board; and (v) whether or not any new nominee can devote sufficient time and resources to fulfill his or her duties as a member of the Board. Gender diversity is also taken into account as discussed in further detail below under the heading “Corporate Governance Disclosure – Gender Diversity”.

The Board is ultimately responsible for nominating for appointment any new directors and directors are selected for their integrity and character, sound judgment, breadth of experience, insight into and knowledge of Birchcliff’s business and the industry and overall business acumen. Each director is expected to devote a sufficient amount of time and resources and to apply sound and reasonable business judgment in aiding the Board to make thoughtful and informed decisions.

### Board Committees

The following table sets forth the committees of the Board and the members of each committee as at the date of this Information Circular.

Committee	Members	Independent
Audit Committee	Debra Gerlach (Chair) Dennis Dawson Stacey McDonald	Yes Yes Yes
Compensation Committee	Dennis Dawson (Chair) Debra Gerlach Stacey McDonald	Yes Yes Yes
Nominating Committee	Dennis Dawson (Chair) Debra Gerlach Stacey McDonald	Yes Yes Yes
Reserves Evaluation Committee	James Surbey (Chair) Dennis Dawson Debra Gerlach Stacey McDonald	No Yes Yes Yes
EHSS Committee	Stacey McDonald (Chair) Dennis Dawson Debra Gerlach Jeff Tonken	Yes Yes Yes No

Formal charters for each of the committees can be found at <http://birchcliffenergy.com/investors/corporate-governance/>. The following sets forth a brief description of each of the committees.

### Audit Committee

The Audit Committee is responsible for, among other things: (i) recommending to the Board the person or firm to be nominated as the auditors for the purposes of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation; (ii) overseeing the work of the auditors engaged for the purpose of preparing or issuing an auditors’ report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the auditors regarding financial reporting; (iii) reviewing and reporting to the Board on the Corporation’s interim and annual financial statements and related

management's discussion and analysis before those materials are filed with applicable regulatory authorities and publicly disclosed; (iv) reviewing and reporting to the Board on the Corporation's annual and interim earnings press releases before the Corporation publicly discloses this information; and (v) overseeing management's reporting on internal controls.

The Audit Committee has developed and adopted a formal Charter and the text of that Charter, together with other disclosure required by NI 52-110, is contained in the Annual Information Form of the Corporation for the year ended December 31, 2021, which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### ***Compensation Committee***

Information regarding the Compensation Committee, including the relevant education and experience of its members and its roles and responsibilities, is disclosed above under the heading "*Executive Compensation – Compensation Discussion and Analysis – Compensation Governance*". For information regarding the process by which the Board determines the compensation for the Corporation's Named Executive Officers, see "*Executive Compensation – Compensation Discussion and Analysis*" and "*Director Compensation*".

#### ***The Reserves Evaluation Committee***

The Reserves Evaluation Committee is responsible for, among other things: (i) reviewing and making recommendations to the Board regarding the appointment of the independent qualified reserves evaluator under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities ("NI 51-101")*; (ii) reviewing and confirming on at least an annual basis that the independent qualified reserves evaluator is independent; (iii) overseeing the work of the independent qualified reserves evaluator in preparing reserves reports; (iv) reviewing all reserves reports prepared by the independent qualified reserves evaluator with management of the Corporation and the independent qualified reserves evaluator and making recommendations to the Board regarding the approval thereof; and (v) reviewing all reports and statements required to be filed pursuant to NI 51-101.

#### ***Environment, Health, Safety and Sustainability Committee***

The EHSS Committee is responsible for, among other things: (i) ensuring that the Corporation's business is conducted in a socially responsible, ethical and transparent manner and that management of the Corporation engages, respects and supports the communities in which the Corporation works; (ii) reviewing reports from management of the Corporation on the Corporation's performance in the areas relating to EHSS; (iii) reviewing reports from management of the Corporation concerning significant reported incidents related to EHSS matters and where appropriate, meeting with management to review the risks and exposure posed and any mitigating actions and corrective measures taken by the Corporation to address such risks and exposure; (iv) reviewing reports from management of the Corporation concerning significant issues or risks related to EHSS matters that have been identified by the Corporation; (v) reviewing any significant report or audit issued by a regulatory agency, external consultant or auditor and any necessary corrective measures taken to address issues and risks identified by regulatory agencies, external consultants or auditors; (vi) reviewing the Corporation's public disclosure of its performance in the areas of EHSS, including but not limited to the Corporation's ESG Reports, Annual Information Forms and Management Information Circulars; (vii) reviewing the Corporation's significant communications with stakeholders on EHSS issues; (viii) ensuring that management of the Corporation proactively identifies and monitors the impact of proposed legislation and other emerging issues in the areas of EHSS, as well as other emerging issues, trends and public opinion which could impact the Corporation's activities, plans, strategies or reputation and recommending, where significant, appropriate responses to the Board; and (ix) reviewing the Corporation's fundamental policies and internal controls pertaining to EHSS matters and reviewing procedures designed to minimize EHSS risks to asset value and mitigate such risks.

#### ***Nominating Committee***

Information regarding the Nominating Committee is disclosed above under the heading "*Corporate Governance Disclosure – Nomination of Directors*".

## Assessments

The Board has established a formal process for the regular evaluation of the effectiveness and contribution of the Board, its committees and individual directors. Each director is required to annually complete a questionnaire to assess the Board's effectiveness and performance. The questionnaire solicits feedback on various areas such as Board and committee effectiveness, processes for Board and committee meetings, director knowledge and corporate governance. The questionnaire is administered by the Chairman of the Board, who compiles and analyzes the results. In an effort to continuously improve this process, the format, focus and content of the written questionnaire is periodically reviewed by the Chairman.

## Director Term Limits and Other Mechanisms of Board Renewal

The Nominating Committee and the Board recognize the benefit that new perspectives, ideas and experience can offer and thus are supportive of periodic Board renewal. However, the Nominating Committee and the Board also believe that it is important to have directors who are knowledgeable of and thoroughly understand Birchcliff's business and the industry in which it operates, which the Board believes comes from time and experience. Therefore, the Nominating Committee and the Board believe that the imposition of arbitrary director term limits and mandatory retirement ages implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. Accordingly, the Board has not adopted term limits for the directors on the Board, mandatory retirement ages or other mechanisms of board renewal, other than the assessment process described above under the heading "*Corporate Governance Disclosure – Assessments*".

As noted above, the Nominating Committee and the Board are supportive of periodic Board renewal and the Board has undergone significant renewal in recent years. In the last five years, two directors retired, one director resigned and three new directors joined the Board, all of whom brought valuable skills, knowledge and experience to the Corporation and to the Board. Of the proposed nominees for election as directors at the Meeting, 60% have a tenure of five years or less. The Board believes that the Board's current tenure profile strikes the appropriate balance between experience and diversity and the need for renewal.

## Gender Diversity

As at the date of this Information Circular, the number of women on the Board is two (40%) and the number of women in executive officer positions is one (12.5%). Following the Meeting, the number of women on the Board will be two (40%), assuming that all of proposed nominees set out herein are elected to the Board.

The Board and Nominating Committee consider the level of representation of women on the Board in appointing, nominating, or recommending for nomination, as applicable, candidates for election or appointment to the Board. In identifying and nominating candidates for election or appointment, the Nominating Committee and the Board consider various factors, including, but not limited to: (i) the individual merits of each potential candidate, including their skills, education, background, experience and any previous contributions to the Corporation; (ii) the number and qualities of potential candidates and whether any such candidates are women; (iii) the current composition of the Board; and (iv) the other factors set forth under the heading "*Corporate Governance Disclosure – Nomination of Directors*". The ultimate selection will be based on serving the best interests of the Corporation.

Although the Nominating Committee and the Board consider the level of representation of women on the Board in identifying and nominating candidates, the Board has not adopted a written policy relating to the identification and nomination of women directors. The directors of the Corporation have a fiduciary duty to act in the best interests of the Corporation. As part of that duty, the Board believes that it is required to select and nominate for election or appointment as directors those individuals who will best serve the interests of the Corporation, regardless of gender. The Board believes that implementing such a policy will potentially restrict the Board's ability to select those individuals who will best serve the interests of the Corporation.

The Corporation considers the level of representation of women in executive officer positions when making executive officer appointments. In making executive officer appointments, the Corporation considers various factors, including, but not limited to: (i) the individual merits of each potential candidate, including their skills,

education, background, experience and any previous contributions to the Corporation; (ii) the number and qualities of potential candidates and whether any such candidates are women; (iii) the current composition of the executive officers; and (iv) the needs of the Corporation. The ultimate selection will be based on serving the best interests of the Corporation.

The Corporation has not adopted specific targets for gender or other dimensions of diversity at the Board or executive officer level due to the relatively small size of these groups. In addition, the Corporation believes that it is important that each appointment to the Board and at the executive officer level be made, and be perceived as being made, based on the merits of the individual and the needs of the Corporation at the relevant time. If specific targets were adopted based on specific criteria, including gender, this could limit the Corporation's ability to ensure that the overall composition of the Board and its team of executive officers meets the needs of the Corporation.

### **Environmental, Social and Governance Responsibility**

Birchcliff recognizes the importance of and its responsibility for environmental stewardship and one of the Corporation's primary goals is to create and preserve a safe and environmentally responsible organization. Birchcliff strives to maintain excellence in environmental reporting and to take proactive steps to eliminate or reduce its environmental impact. As an organization that strives for continuous improvement, Birchcliff continues to identify, develop and utilize new technology, systems and processes that will help reduce its environmental footprint and create a safer work environment.

Recognizing the ongoing importance of ESG matters to the health and success of Birchcliff, the Board formed its EHSS Committee in 2022. The EHSS Committee's mandate clearly sets out the responsibilities that the Board has delegated to the EHSS Committee. In fulfilling its mandate, the EHSS Committee receives detailed reports from management on ESG-related matters, including the Corporation's safety performance, total recordable incident frequency, asset retirement and reclamation activities and the Corporation's liability management rating. It also reviews the Corporation's public disclosure of ESG matters, including the annual ESG Report, prior to release. See "*Corporate Governance Disclosure – Board Committees – Environment, Health, Safety and Sustainability Committee*".

In addition to the oversight provided by the Board and EHSS Committee, Birchcliff has established the following committees, which are comprised of members of management:

- GHG Regulatory Compliance Committee: The purpose of this committee to help ensure that there is corporate-wide awareness and compliance with the latest provincial and federal GHG legislation requirements which impact Birchcliff's operations.
- ESG Committee: The purpose of this committee is to drive continuous improvement of Birchcliff's ESG-related corporate metrics by: (i) establishing and monitoring ESG-related key performance indicators; (ii) developing and maintaining an effective strategy to communicate ESG-related key performance indicators; and (iii) identifying, prioritizing and directing initiatives to improve ESG key performance indicators within the Corporation.

A copy of the Corporation's ESG Report, which provides additional information regarding Birchcliff's ESG initiatives and activities, is available on the Corporation's website at [www.birchcliffenergy.com](http://www.birchcliffenergy.com).

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No person who is or has been a director, executive officer or employee of the Corporation at any time since the beginning of the financial year ended December 31, 2021, nor any proposed nominee for election as a director of the Corporation, nor any associate of any such directors, executive officers or proposed nominees, is or was indebted to: (i) the Corporation; or (ii) another entity where such indebtedness is or was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, in either case at any time since the beginning of the financial year ended December 31, 2021.



## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has or has had at any time since the beginning of the financial year ended December 31, 2021, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

There are potential conflicts of interest to which the directors and executive officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and executive officers of the Corporation are engaged and will continue to be engaged in other business opportunities on their own behalf and on behalf of other corporations and situations could arise where such directors and executive officers would be in competition with the Corporation. Any such actual or potential conflicts of interest shall be governed by applicable law.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's financial statements and management's discussion and analysis ("MD&A") for the financial year ended December 31, 2021, copies of which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

Any securityholder may obtain a paper copy of the Corporation's financial statements and MD&A for the financial year ended December 31, 2021 by contacting the Corporate Secretary of Birchcliff by e-mail, regular mail or telephone as set forth below:

**Birchcliff Energy Ltd.**  
1000, 600 – 3<sup>rd</sup> Avenue S.W.  
Calgary, Alberta T2P 0G5  
Phone: 403-261-6401  
Email: [info@birchcliffenergy.com](mailto:info@birchcliffenergy.com)



## ADVISORIES

### Boe Conversions

Barrel of oil equivalent (“**boe**”) amounts have been calculated by using the conversion ratio of 6 million cubic feet (“**Mcf**”) of natural gas to 1 barrel (“**bbl**”) of oil. Boe amounts may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf: 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

### Production

With respect to the disclosure of Birchcliff’s production contained in this Information Circular: (i) references to “light oil” mean “light crude oil and medium crude oil” as such term is defined in NI 51-101; and (ii) references to “natural gas” mean “shale gas”, which also includes an immaterial amount of “conventional natural gas”, as such terms are defined in NI 51-101. In addition, NI 51-101 includes condensate within the product type of natural gas liquids. Birchcliff has disclosed condensate separately from other natural gas liquids as the price of condensate as compared to other natural gas liquids is currently significantly higher and Birchcliff believes presenting the two commodities separately provides a more accurate description of its operations and results therefrom. Birchcliff’s 2021 annual average production of 78,520 boe/d consists of the following product types: (i) 2,899 bbls/d of light oil; (ii) 5,715 bbls/d of condensate; (iii) 7,705 bbls/d of natural gas liquids; and (iv) 373,217 Mcf/d of natural gas.

### Reserves Information

In this Information Circular, references to “reserves” are to Birchcliff’s gross reserves (Birchcliff’s working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of Birchcliff). The information contained herein relating to reserves is based upon the evaluation by Deloitte LLP, independent qualified reserves evaluator, with an effective date of December 31, 2021 as contained in the report of Deloitte dated February 9, 2022 (the “**Deloitte Report**”). The Deloitte Report was prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. For further information on the Corporation’s reserves, see the Corporation’s Annual Information Form for the year ended December 31, 2021.

### Forward-Looking Statements

Certain statements contained in this Information Circular constitute forward-looking statements and forward-looking information (collectively referred to as “**forward-looking statements**”) within the meaning of applicable Canadian securities laws. The forward-looking statements contained in this Information Circular relate to future events or Birchcliff’s future plans, strategy, operations, performance or financial position and are based on Birchcliff’s current expectations, estimates, projections, beliefs and assumptions. Such forward-looking statements have been made by Birchcliff in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be forward-looking statements. Such forward-looking statements are often, but not always, identified by the use of words such as “seek”, “plan”, “focus”, “future”, “outlook”, “position”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “forecast”, “guidance”, “potential”, “proposed”, “predict”, “budget”, “continue”, “targeting”, “may”, “will”, “could”, “might”, “should”, “would”, “on track” and other similar words and expressions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Accordingly, readers are cautioned not to place undue reliance on such forward-looking statements. Although Birchcliff believes that the expectations reflected in the forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct and Birchcliff makes no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements. In particular, this Information Circular contains forward-looking statements relating to the following: Birchcliff’s plans and other aspects of its anticipated future performance, focus, objectives, strategies, opportunities, priorities and goals; the business and procedure for the Meeting; the composition of the Board following the Meeting and the number of

women on the Board following the Meeting; and the belief of the Board and Compensation Committee that Birchcliff's compensation program has been designed in such a way that prevents inappropriate risk-taking.

With respect to the forward-looking statements contained in this Information Circular, assumptions have been made regarding, among other things: the degree to which the Corporation's results of operations and financial condition will be disrupted by circumstances attributable to the COVID-19 pandemic; prevailing and future commodity prices and differentials, exchange rates, interest rates, inflation rates, royalty rates and tax rates; the state of the economy, financial markets and the exploration, development and production business; the political environment in which Birchcliff operates; the regulatory framework regarding royalties, taxes, environmental, climate change and other laws; the Corporation's ability to comply with existing and future environmental, climate change and other laws; future cash flow, debt and dividend levels; future operating, transportation, general and administrative and other expenses; Birchcliff's ability to access capital and obtain financing on acceptable terms; the timing and amount of capital expenditures and the sources of funding for capital expenditures and other activities; the sufficiency of budgeted capital expenditures to carry out planned operations; the successful and timely implementation of capital projects and the timing, location and extent of future drilling and other operations; results of operations; Birchcliff's ability to continue to develop its assets and obtain the anticipated benefits therefrom; the performance of existing and future wells; reserves volumes and Birchcliff's ability to replace and expand reserves through acquisition, development or exploration; the impact of competition on Birchcliff; the availability of, demand for and cost of labour, services and materials; the ability to obtain any necessary regulatory or other approvals in a timely manner; the satisfaction by third parties of their obligations to Birchcliff; the ability of Birchcliff to secure adequate processing and transportation for its products; Birchcliff's ability to successfully market natural gas and liquids; the results of the Corporation's risk management and market diversification activities; and Birchcliff's natural gas market exposure.

Birchcliff's actual results, performance or achievements could differ materially from those anticipated in the forward-looking statements as a result of both known and unknown risks and uncertainties including, but not limited to: the risks posed by pandemics (including COVID-19) and epidemics and their impacts on supply and demand and commodity prices; actions taken by OPEC and other major producers of crude oil and the impact such actions may have on supply and demand and commodity prices; general economic, market and business conditions which will, among other things, impact the demand for and market prices of Birchcliff's products and Birchcliff's access to capital; volatility of oil and natural gas prices; fluctuations in exchange and interest rates; stock market volatility; loss of market demand; an inability to access sufficient capital from internal and external sources on terms acceptable to the Corporation; risks associated with Birchcliff's credit facilities, including a failure to comply with covenants under the agreement governing the credit facilities and the risk that the borrowing base limit may be redetermined; fluctuations in the costs of borrowing; operational risks and liabilities inherent in oil and natural gas operations; the occurrence of unexpected events such as fires, severe weather, explosions, blow-outs, equipment failures, transportation incidents and other similar events; an inability to access sufficient water or other fluids needed for operations; uncertainty that development activities in connection with Birchcliff's assets will be economic; an inability to access or implement some or all of the technology necessary to operate its assets and achieve expected future results; uncertainties associated with estimating oil and natural gas reserves; the accuracy of estimates of reserves, future net revenue and production levels; geological, technical, drilling, construction and processing problems; uncertainty of geological and technical data; horizontal drilling and completions techniques and the failure of drilling results to meet expectations for reserves or production; uncertainties related to Birchcliff's future potential drilling locations; delays or changes in plans with respect to exploration or development projects or capital expenditures; the accuracy of cost estimates and variances in Birchcliff's actual costs and economic returns from those anticipated; incorrect assessments of the value of acquisitions and exploration and development programs; changes to the regulatory framework authorities in the locations where the Corporation operates, including changes to tax laws, Crown royalty rates, environmental laws, climate change laws, carbon tax regimes, incentive programs and other regulations that affect the oil and natural gas industry; actions by government authorities, including those with respect to the COVID-19 pandemic; an inability of the Corporation to comply with existing and future environmental, climate change and other laws; the cost of compliance with current and future environmental laws; political uncertainty and uncertainty associated with government policy changes; dependence on facilities, gathering lines and pipelines; uncertainties and risks associated with pipeline restrictions and outages to third-party

infrastructure that could cause disruptions to production; the lack of available pipeline capacity and an inability to secure adequate and cost-effective processing and transportation for Birchcliff's products; an inability to satisfy obligations under Birchcliff's firm marketing and transportation arrangements; shortages in equipment and skilled personnel; the absence or loss of key employees; competition for, among other things, capital, acquisitions of reserves, undeveloped lands, equipment and skilled personnel; management of Birchcliff's growth; environmental and climate change risks, claims and liabilities; potential litigation; default under or breach of agreements by counterparties and potential enforceability issues in contracts; claims by Indigenous peoples; the reassessment by taxing or regulatory authorities of the Corporation's prior transactions and filings; unforeseen title defects; third-party claims regarding the Corporation's right to use technology and equipment; uncertainties associated with the outcome of litigation or other proceedings involving Birchcliff; uncertainties associated with counterparty credit risk; risks associated with Birchcliff's risk management and market diversification activities; risks associated with the declaration and payment of future dividends; the failure to obtain any required approvals in a timely manner or at all; the failure to complete or realize the anticipated benefits of acquisitions and dispositions and the risk of unforeseen difficulties in integrating acquired assets into Birchcliff's operations; negative public perception of the oil and natural gas industry and fossil fuels; the Corporation's reliance on hydraulic fracturing; market competition, including from alternative energy sources; changing demand for petroleum products; the availability of insurance and the risk that certain losses may not be insured; breaches or failure of information systems and security (including cyber-attacks); risks associated with the ownership of the Corporation's securities; the accuracy of the Corporation's accounting estimates and judgments; and potential requirements under applicable accounting standards for the impairment or reversal of estimated recoverable amounts of the Corporation's assets from time to time.

Readers are cautioned that the foregoing lists of factors are not exhaustive. Additional information on these and other risk factors that could affect results of operations, financial performance or financial results are included in Birchcliff's most recent Annual Information Form under the heading "*Risk Factors*" and in other reports filed with Canadian securities regulatory authorities.

Management has included the above summary of assumptions and risks related to forward-looking statements provided in this Information Circular in order to provide readers with a more complete perspective on Birchcliff's future operations and management's current expectations relating to Birchcliff's future performance. Readers are cautioned that this information may not be appropriate for other purposes.

The forward-looking statements contained in this Information Circular are expressly qualified by the foregoing cautionary statements. The forward-looking statements contained herein are made as of the date of this Information Circular. Unless required by applicable laws, Birchcliff does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise

[www.birchcliffenergy.com](http://www.birchcliffenergy.com) | TSX:BIR