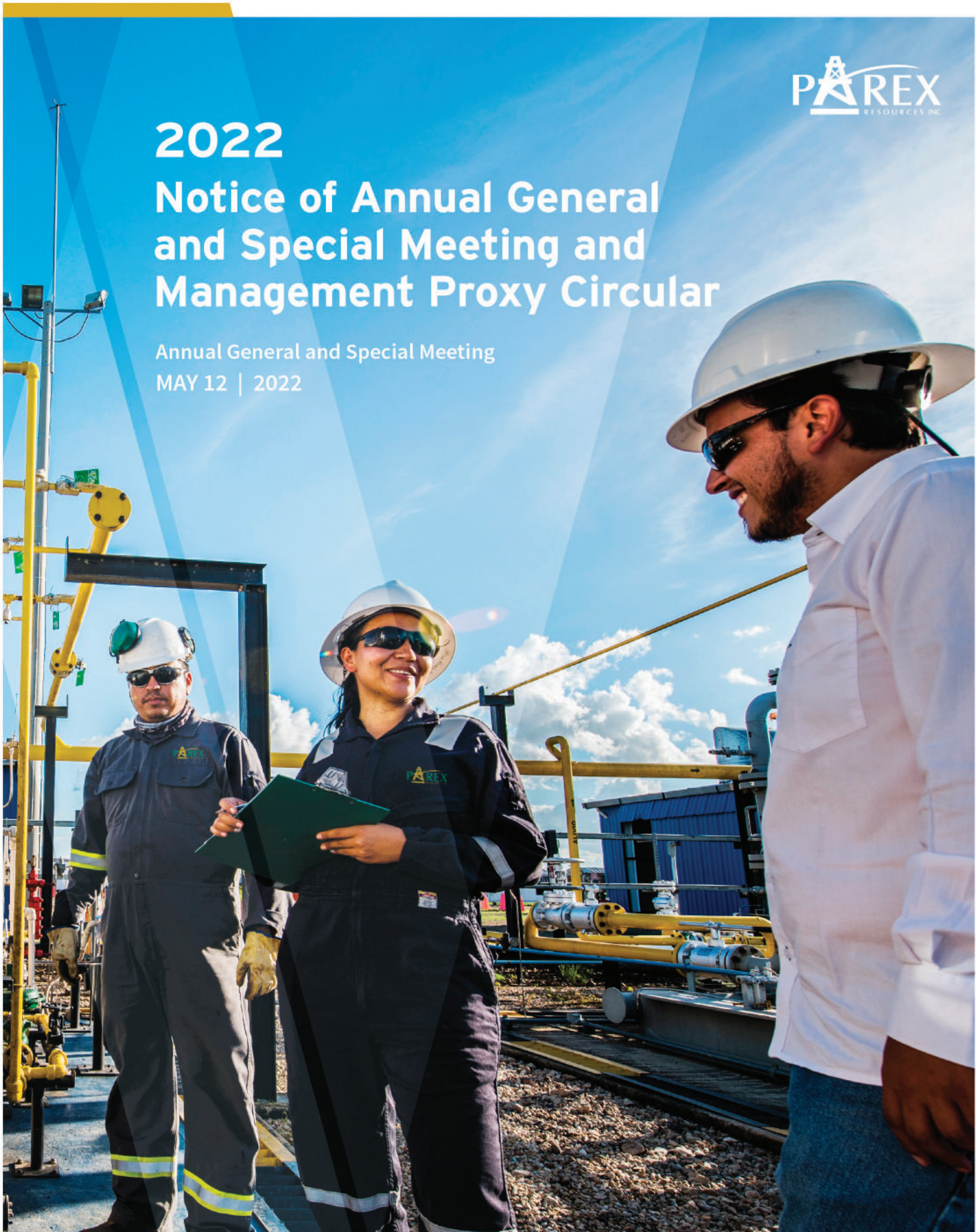
PAREX RESOURCES INC

2022

Notice of Annual General and Special Meeting and Management Proxy Circular

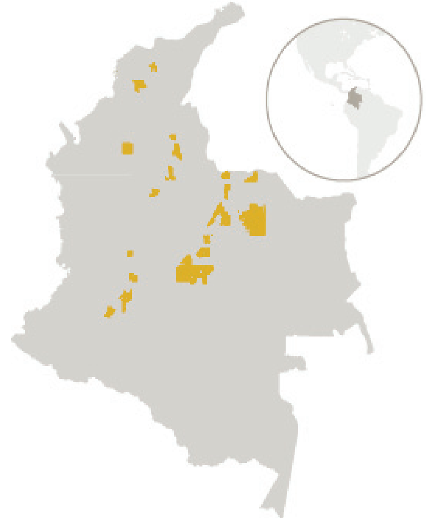
Annual General and Special Meeting

MAY 12 | 2022



PAREXRESOURCES.COM TSX | PXT

About Parex



Parex is the largest independent exploration and production company in Colombia, focusing on sustainable, conventional oil and gas production.

With its headquarters in Calgary, Canada, and an operating office in Bogota, Colombia, Parex has a track-record of delivering total shareholder returns as well as long-term benefits to the community.

In support of our growth strategy, we are leveraging industry-proven, but new-to-Colombia technology. As the largest independent landholder in Colombia, we are actively exploring and exploiting our high-quality asset portfolio with ambitions to grow the company and become a multi-field operator.

Key Differentiators

Colombia focused producer with **strong production & reserves growth**

Unhedged producer with **industry-leading netbacks**

Debt free and return of capital track record

Top-tier ESG performance & Sustainalytics rating

2021 Operating & Financial Highlights

Generated record annual funds from operations of **US$ 578M**[1] ($4.61/share)[2]

Achieved net income of **US$ 303M**

Delivered **12%** production growth per share

Repurchased **12.9M** shares through share buyback program (~10%)

Acquired **18 new blocks** in Colombia, nearly quadrupling our total land holdings

Paid dividends of **C$0.50 per share** through newly introduced quarterly dividend and special dividend

2021 ESG Highlights

Strong Safety Performance
0
LTIs since 2016

Community
US$ 6.3M investment locally

Disclosure
Released inaugural TCFD Report

GHG Emissions
33%
Reduced Scope 1 & 2 emissions intensity since 2019 and set a 50% reduction target to achieve by 2030 from 2019

Environment
Installed two geothermal power generation units, expect to avoid **~580** tCO_2e /year per unit

(1) "Capital management measure," which is not a standardized financial measure under International Financial Reporting Standards ("IFRS") and might not be comparable to similar financial measures disclosed by other issuers. See "Non-GAAP and Other Financial Measures Advisory."

(2) "Non-GAAP ratio," which is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Non-GAAP and Other Financial Measures Advisory."

Board Chair's Message

On behalf of the Board of Directors and Management team of Parex Resources Inc ("Parex" or the "Company"), we invite you to participate in our virtual Annual General and Special Meeting (the "Meeting") of the shareholders of Parex on May 12, 2022, at 9:30 a.m. MST. The attached management information circular includes important information about the Meeting and how to vote.

From my view, Management compensation is always near the top of the list for topics of interest at our annual meetings, however, in recent years consideration has broadened to be more inclusive of impacts on all stakeholders. I would like to provide some context as to how Parex has and continues to consider the interests of its stakeholders, and how those interests are carried through our governance practices and Management's execution of our strategic plan.

Parex ultimately produces oil and gas, a public good that contributes to social and economic development. Following the appointment of Imad Mohsen as President and Chief Executive Officer of Parex in 2021, Management has focused on building a strategic plan that fits the Company's revamped corporate purpose and would address sustainability in the broadest sense, including growing operations and applying proven technologies, delivering best-in-class returns to shareholders, and achieving leading Environment, Social and Governance (ESG) performance that translates to long-term benefits to community stakeholders and lasting social benefits. This strategic plan extends accountability to all levels in the organization, with high standards being at the core of our culture and a key to success in securing new opportunities for the Company.

Since Parex was established in 2009, its primary operational focus has been in Colombia. That focus was reconfirmed in 2021 with specific goals related to portfolio sustainability. During the year, Management piloted new technologies to improve exploitation of producing properties and restored production to pre-pandemic levels. The Company also quadrupled its land base through strategic partnerships and the 2021 Colombia bid round. Parex is now the largest independent exploration and production company in Colombia and is well positioned to grow in a sustainable manner.

In 2017, Parex began to emphasize return of capital through a share buyback program and by year-end 2021, the Company had reduced its fully diluted common shares outstanding by greater than 25%. In 2021, the Company continued to enhance its return of capital through the initiation of a regular quarterly dividend, repurchasing 10% of outstanding common shares and paying a special dividend. Parex has demonstrated a strong track record by returning approximately C$925 million through share repurchases and dividends between 2017 and 2021, which we plan to build on in the future.

In prior years, Management adopted a goal to achieve top quartile rankings in overall ESG performance. In 2021, Parex maintained top quartile ESG rankings through enhanced reporting and a continued focus on progressing targets. Parex' ESG priorities include greenhouse gas (GHG) emissions intensity reduction, community social investments in Colombia, maintaining a culture of safety, and adhering to diversity, equity and inclusion policies. One major reporting milestone achieved in 2021 was the release of the inaugural Task Force on Climate-Related Financial Disclosures (TCFD) Recommendations Report.

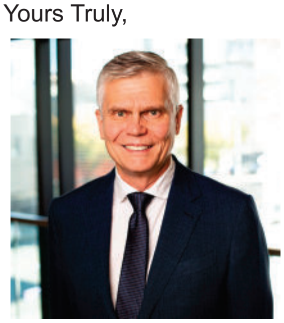
In alignment with its business strategy, the Company focused on building capability by targeting expertise to complement its workforce as well as investing in leadership development in alignment with its succession plans. Additionally, improvements were made to better align scorecards with long-term incentives and the corporate purpose.

The foundation set out in 2021 has prepared the Company to capitalize on the opportunities being presented in 2022. Your Board of Directors has confidence that, as in 2021, Management will continue to execute: building resource potential – both human and in the ground, returning capital to shareholders and demonstrating strong ESG performance.

On behalf of the Board and Management, I would like to thank our stakeholders for their continued support and confidence.

Wayne Foo
Chair of the Board

Yours Truly,



"Wayne Foo"

Wayne Foo
Chair of the Board of Directors

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Date & Time:	May 12, 2022 at 9:30 a.m. (Calgary time)
Place:	**Virtual Meeting at** https://meetnow.global/M29ZXQF
Record Date:	March 25, 2022

TO THE HOLDERS OF COMMON SHARES

Notice is hereby given that the Annual General and Special Meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Common Shares**") of Parex Resources Inc. ("**Parex**" or the "**Company**") will be held on May 12, 2022 at 9:30 a.m. (Calgary time) for the following purposes:

1. to receive and consider the financial statements of the Company for the year ended December 31, 2021, and the auditors' report thereon;
2. to fix the number of directors to be elected at the Meeting at nine (9);
3. to elect nine (9) directors;
4. to appoint the auditors of the Company and to authorize the directors to fix their remuneration as such;
5. to consider an advisory, non-binding resolution (a "**Say on Pay**" vote) on the Company's approach to executive compensation as more particularly described in the management information circular of the Company dated March 30, 2022 (the "Information Circular"); and
6. to transact such further and other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Information Circular.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is March 25, 2022 (the "**Record Date**"). Shareholders of the Company whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of such Shareholder's Common Shares after such date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

Parex holds safety as a core value. We continue to follow developments related to the novel coronavirus ("**COVID-19**") pandemic and continue to proactively implement and monitor measures to prioritize the health and well-being of our employees, customers, suppliers, partners, Shareholders, communities and other stakeholders, while ensuring continuity in the provision of our critical services in each of Canada and Colombia. We have chosen to hold a virtual meeting that allows for virtual participation in the Meeting. This type of meeting will give all Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19. We are not aware of any items of business to be brought before the Meeting other than those described in the enclosed Meeting materials.

The Meeting can be accessed by logging in online at **https://meetnow.global/M29ZXQF.** Registered Shareholders and duly appointed proxyholders will be able to attend the Meeting, ask questions and vote, all in real time, provided they are connected to the internet and comply with all of the requirements set out in the Information Circular. Non-registered (beneficial) Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote at the Meeting. Further details and instructions are provided in the Information Circular under the heading "*Proxies*".

As described in the enclosed Meeting materials, registered Shareholders are entitled to participate at the Meeting if they held their Common Shares as of the close of business on the Record Date.

The persons named in the enclosed form of proxy are directors and/or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to act for such Shareholder and on such Shareholder's behalf at the Meeting. Registered Shareholders who wish to appoint a third party proxyholder other than the named Parex proxy nominees can do so by printing the proxyholder's name in the space provided in the enclosed form of proxy. Non-registered (beneficial) Shareholders who wish to vote at the Meeting will be required to appoint themselves as proxyholder in advance of the Meeting by writing their own name in the space provided on the voting instruction form provided by their intermediary, generally being a bank, trust company, securities broker, trustee or other institution. In all cases, Shareholders must carefully follow the instructions set out in their applicable proxy or voting instruction forms AND those set out in the Information Circular under the heading "*Proxies – Solicitation and Appointment of Proxies – How to Vote*".

Registered Shareholders and duly appointed proxyholders (including beneficial Shareholders who have duly appointed themselves as proxyholders) who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided that they are connected to the internet. Guests, including non-registered Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out in the Information Circular, under the heading " *Proxies – Solicitation and Appointment of Proxies – Attending the Meeting as a Guest*". Guests can listen to the Meeting but will not able to participate or vote. Shareholders will not be able to attend the Meeting physically.

If you attend the Meeting online and you are a registered Shareholder or duly appointed proxyholder and wish to vote at the Meeting, it is important that you remain connected to the internet at all times during the Meeting in order to vote when balloting commences. **It is your responsibility to ensure connectivity for the duration of the Meeting.** You should allow ample time to check into the Meeting online and complete the related procedures. If you have questions regarding your ability to participate or vote at the Meeting, please contact our registrar and transfer agent Computershare Trust Company of Canada at **1-800-564-6253**.

If you do not wish to vote at the Meeting, please refer to the enclosed Meeting materials for information on how to vote by appointing a proxyholder, submitting a proxy in advance of the Meeting or, in the case of a non-registered Shareholder, through an intermediary. Voting by proxy is the easiest way to vote, as it enables someone else to vote at the Meeting on your behalf. Voting in advance of the Meeting is available via the means described in your proxy or voting instruction form and our Meeting materials, and include the following:

BY MAIL	**BY HAND**	**BY FACSIMILE**
Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1	Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1	1-866-249-7775 or 1-416-263-9524

BY TELEPHONE	**BY INTERNET**
1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America)	Use the 15-digit control number at www.investorvote.com

All proxies must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournments or postponements thereof. Instructions are listed in the enclosed form of proxy and see also "*Solicitation of Proxies - General*" in the Information Circular. In the event of a strike, lockout or other work stoppage involving postal employees, the enclosed proxy should be deposited with Computershare by hand delivery, by facsimile, by telephone or through the internet.

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

DATED at Calgary, Alberta this 30th day of March, 2022
BY ORDER OF THE BOARD OF DIRECTORS

"Imad Mohsen"

Imad Mohsen
President and Chief Executive Officer and a Director

Table of Contents

Throughout this information circular you find content on our commitment to ESG practices in the following places:

INFORMATION CIRCULAR – MANAGEMENT PROXY STATEMENT

FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 12, 2022

PROXIES

Solicitation and Appointment of Proxies

General

This information circular – management proxy statement (the "**Information Circular**") **is furnished in connection with the solicitation of proxies by or on behalf of the management of Parex Resources Inc.** ("**Parex**" or the "**Company**") for use at the annual general and special meeting (the “Meeting”) of the Company's shareholders ("**Shareholders**") to be held virtually at **https://meetnow.global/M29ZXQF** on May 12, 2022 at 9:30 a.m.. (Calgary time), and any adjournments or postponements thereof for the purposes set forth in the accompanying Notice of Annual General and Special Meeting. Only Shareholders of record on March 25, 2022 (the “Record Date”)are entitled to notice of, and to attend and vote at, the Meeting, unless a Shareholder has transferred any common shares ("**Common Shares**") subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the Common Shares and demands that the transferee's name be included on the list of shareholders eligible to vote at the Meeting.

Unless otherwise stated information contained in this Information Circular is given as at March 30, 2022. **All amounts set forth in this Information Circular are stated in Canadian dollars, unless otherwise noted.**

The Meeting will be held virtually. You will not be able to attend the Meeting physically. A virtual-only meeting format is being adopted in response to the COVID-19 pandemic to give all Shareholders an equal opportunity to participate at the Meeting regardless of their geographic location or the particular constraints, circumstances or risks they may be facing as a result of COVID-19. We are not aware of any items of business to be brought before the Meeting other than those described in the enclosed Meeting materials.

If you attend the Meeting online and you are a registered Shareholder or proxyholder and wish to vote at the Meeting, it is important that you remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to check into the Meeting online and complete the related procedures, as set forth below. If you have questions regarding your ability to participate or vote at the Meeting, please contact our registrar and transfer agent, Computershare Trust Company of Canada ("**Computershare**") at **1-800-564-6253**.

Notice-And-Access

Parex 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 ("**NI 54-101**") for the meeting in respect of the mailing of the Company’s meeting materials, annual financial statements and management's discussion and analysis to the beneficial holders of Common Shares (i.e., a Shareholder who holds their Common Shares in the name of a broker or an agent) but not in respect of mailings to registered holders of the Common Shares (i.e., a Shareholder whose name appears on the Company's records as a holder of Common Shares). The Notice-and-Access Provisions are a set of 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 its information circular in respect of a meeting of its shareholders and related materials online.

Parex has also elected to use procedures known as "stratification" in relation to the Company’s 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 ("**Financial Information**"), to some shareholders together with a notice of a meeting of its shareholders. In relation to the Meeting, registered holders of the Common Shares will receive a paper copy of the Notice of the Annual General and Special Meeting, this Information Circular and a form of proxy and the Company’s financial statements and related management's discussion and analysis whereas all beneficial holders of Common Shares will receive a notice containing information prescribed by the Notice-and-Access Provisions and a voting instruction form. In addition, a paper copy of the Notice of Annual General and Special Meeting and this Information Circular, and a Voting Instruction Form will be mailed to those Shareholders who do not hold their Common Shares in their own name but who have previously requested to receive paper copies of these materials. Furthermore, a paper copy of the Company’s Financial Information in respect of the most recently completed financial year will be mailed to all registered holders of Common Shares and those beneficial holders of Common Shares who previously requested to receive such Financial Information.

The Company will be delivering proxy-related materials to non-objecting beneficial Shareholders with the assistance of Broadridge Financial Solutions, Inc. (“Broadridge”) and the non-objecting beneficial Shareholder’s intermediary. Parex intends to pay the costs for intermediaries to deliver proxy-related materials to objecting beneficial owners of Common Shares.

Proxies

The persons named in the accompanying form of proxy are directors and/or officers of the Company. As a Shareholder submitting a proxy you have the right to appoint a person or company (who need not be a Shareholder) to represent you at the Meeting other than the persons designated in the form of proxy furnished by Parex. To exercise this right, you should insert the name of the desired representative in the blank space provided in the form of proxy or include the name of the desired representative in the appropriate field when voting through the internet. A proxy must be executed by the Shareholder or his or her attorney authorized in writing, or if the Shareholder is a corporation, under its corporate seal by a duly authorized officer or attorney of the corporation. In order to be effective, the proxy must be deposited with the Company's registrar and transfer agent, Computershare: (a) by mail, using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (b) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (c) by telephone to 1-866-732-VOTE (8683) (toll free within North America) or to 1-312-588-4290 (outside North America); (d) by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America); or (e) through the internet by using the 15 digit control number located at the bottom of your proxy at www.investorvote.com (see below for further information), not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time set for the Meeting or any adjournments or postponements thereof. All instructions are listed in the enclosed form of proxy.

Shareholders who wish to vote through the internet may use the internet site at **www.investorvote.com** to transmit their voting instructions. Shareholders should have their form of proxy in hand when they access the web site and will be prompted to enter their 15-digit Control Number, which is located at the bottom of the form of proxy. The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions. Please note that if a Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previously submitted proxies will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

Registered Shareholders and duly appointed proxyholders (including beneficial Shareholders who have duly appointed themselves as proxyholders as described below) who participate at the Meeting online will be able to listen to the Meeting, ask questions and vote, all in real time, provided that they are connected to the internet. Guests, including beneficial Shareholders who have not duly appointed themselves as proxyholder, can log in to the Meeting as set out below under "*Attending the Meeting as a Guest*". Guests can listen to the Meeting but will not able to participate or vote. Shareholders will not be able to attend the Meeting physically.

How to Vote

Registered Shareholders

Registered Shareholders may vote at the Meeting by: (A) completing and submitting their form of proxy in advance of the Meeting; or (B) attending the Meeting and completing a ballot at the Meeting that will be made available online during the Meeting.

(A) Voting by Proxy Before the Meeting

If you are a registered Shareholder, you may vote before the Meeting by completing your form of proxy in accordance with the instructions provided therein. Voting by proxy is the easiest way to vote, as it enables someone else to vote at the Meeting on your behalf. All forms of proxy must be received and all proxyholders must be registered before 9:30 a.m. (Calgary time) on May 10, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time fixed for the adjourned or postponed Meeting in order to participate and vote at the Meeting.

Proxyholders must vote your Common Shares according to the instructions provided in the completed proxy, including on any ballot that may be called. If there are changes to the items of business or new items properly come before the Meeting, a proxyholder can vote as he or she sees fit.

As a Shareholder submitting a form of proxy you have the right to appoint a person or company (who need not be a Shareholder) to represent you at the Meeting other than the persons designated in the form of proxy furnished by Parex (being directors and officers of Parex). If you wish to appoint a third party proxyholder to vote on your behalf at the Meeting, you must appoint such proxyholder by inserting their name in the blank space provided on the form of proxy sent to you or in the appropriate field if voting via the internet and follow all other instructions provided, prior to 9:30 a.m. (Calgary time) on May 10, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time fixed for the adjourned or postponed Meeting in order to participate and vote at the Meeting. **Shareholders appointing a third party proxyholder (other than the Parex proxy nominees) must ALSO register their proxyholder at www.computershare.com/Parex before 9:30 a.m. (Calgary time) on May 10, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time fixed for any adjourned or postponed Meeting in order to participate and vote at the Meeting.** You will need to provide Computershare the required proxyholder contact information so that Computershare can provide the proxyholder with a 15 digit Control Number via email. Without a 15 digit Control Number, proxyholders will not be able to participate or vote at the Meeting but will be able to listen as a guest (see instructions below under "*Attending the Meeting as a Guest*").

The duly appointed proxyholder can follow steps 1 through 4 set out below under the heading "*Proxies – Solicitation and Appointment of Proxies – How to Vote – Registered Shareholders – (B) Attending the Meeting and Voting Online*" to attend and vote at the Meeting.

(B) Attending the Meeting and Voting Online

If you are a registered Shareholder or duly appointed proxyholder and wish to attend and vote at the Meeting, please follow these steps:

1. Log into https://meetnow.global/M29ZXQF at least 30 minutes before the Meeting starts.
2. Click "Shareholder".
3. Enter your 15 digit Control Number or click on “Invitation” and enter your Invite Code if you are a Duly Appointed Proxy Holder.
4. Follow the instructions to view the Meeting and vote when prompted.

Once you log into the Meeting, voting by online ballot on matters put forth at the Meeting will revoke any and all proxies you previously submitted for the Meeting.

Revoking a Proxy as a Registered Shareholder

A registered Shareholder who has given a proxy has the power to revoke it. If a person who has given a proxy attends the Meeting at which the proxy is to be voted, such person may revoke the proxy and vote at the Meeting. In addition to revocation in any other manner permitted by law, a proxy may be revoked by a form in writing signed by the Shareholder or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and signed by a duly authorized officer or attorney for the corporation, and deposited at the registered office of Parex at any time up to and including the last day (other than Saturdays, Sundays and statutory holidays in the Province of Alberta) preceding the date of the Meeting at which the proxy is to be used, or any adjournments or postponements thereof. If a registered Shareholder uses a 15-digit Control Number to login to the Meeting online and accepts the terms and conditions, voting by online ballot on matters put forth at the Meeting will revoke any and all previously submitted proxies for the Meeting.

Non-Registered (Beneficial) Shareholders

The information set forth in this section is of significant importance to many Shareholders of Parex, as a substantial number of the Shareholders of Parex do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of Parex 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 the Shareholder's name on the records of Parex. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services, Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The directors and officers of Parex do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Beneficial Shareholders may vote at the Meeting by: (A) completing and submitting their voting instruction form in advance of the Meeting; or (B) attending the Meeting as proxyholder for the registered Shareholder and completing a ballot at the Meeting that will be made available online during the Meeting.

(A) Voting by Proxy Before the Meeting

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the voting instruction form supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining voting instructions from clients to Broadridge. Broadridge typically applies a special sticker to the voting instruction forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instructions forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a voting instruction form with a Broadridge sticker on it cannot use that form to vote Common Shares directly at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

As a Beneficial Shareholder submitting a voting instruction form you have the right to appoint a person or company (who need not be a Shareholder) to represent you at the Meeting, and indirectly vote your Common Shares as proxyholder for the registered Shareholder, which person or company can be someone other than the persons designated in the voting instruction form furnished by your intermediary or Broadridge. If you wish to appoint a third party as your "proxyholder" to indirectly vote on your behalf at the Meeting, you must appoint such proxyholder by inserting their name in the blank space provided on the voting instruction form sent to you or in the appropriate field if voting via the internet and follow all other instructions provided. **Beneficial Shareholders appointing a third party proxyholder (other than the Parex proxy nominees) must ALSO register their proxyholder at www.computershare.com/Parex prior to 9:30 a.m. (Calgary time) on May 10, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time fixed for any adjourned or postponed Meeting in order to participate and vote at the Meeting.** You will need to provide Computershare the required proxyholder contact information so that Computershare can provide the proxyholder with a 15 digit Control Number via email. Without a 15 digit Control Number, proxyholders will not be able to participate or vote at the Meeting but will be able to listen as a guest (see instructions below under "*Attending the Meeting as a Guest*").

(B) Attending the Meeting as Proxyholder

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

Beneficial Shareholders who have not duly appointed themselves as proxyholder will not be able to participate or vote at the Meeting but will be able to join the Meeting as a guest (see instructions below under "*Attending the Meeting as a Guest*").

Beneficial Shareholders appointing themselves as proxyholder must ALSO register with Computershare as proxyholder at www.computershare.com/Parex before 9:30 a.m. (Calgary time) on May 10, 2022 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) prior to the time fixed for the adjourned or postponed Meeting in order to participate and vote at the Meeting. You will need to provide Computershare with your required proxyholder contact information so that Computershare can provide you with a 15 digit Control Number via email. As duly appointed proxyholder, you can follow steps 1 through 4 set out above under the heading "*Proxies – Solicitation and Appointment of Proxies – How to Vote – Registered Shareholders – (B) Attending the Meeting and Voting Online*" to attend and vote at the Meeting. Without a 15 digit Control Number, proxyholders will not be able to participate or vote at the Meeting but will be able to listen as a guest (see instructions below under "*Attending the Meeting as a Guest*").

If you are a Beneficial Shareholder, please contact your stockbroker or other intermediary as soon as possible to determine what additional procedures must be followed to appoint yourself or a third party as your proxyholder (including whether to obtain a separate valid legal form of proxy from your intermediary if you are located outside of Canada).

Revoking Voting Instructions as a Beneficial Shareholder

A Beneficial Shareholder who has given a proxy, in the manner prescribed above, has the power to revoke it. If you have provided your voting instructions and change your mind about your vote, you can revoke your voting instructions by contacting your intermediary. If your intermediary provides the option of voting over the internet, you can change your instructions by updating your voting instructions on the website provided by your intermediary, so long as you submit your new instructions before the intermediary's deadline.

Attending the Meeting as a Guest

Guests can listen to the Meeting but are not able to participate or vote at the Meeting. Guests can log into the Meeting by following these steps:

1. Log into https://meetnow.global/M29ZXQF2 at least 30 minutes before the Meeting starts.
2. Click "Guest" and then complete the online form.

Persons making the Solicitation

This solicitation is made on behalf of the management of Parex. The costs incurred in the preparation and mailing of the form of proxy, Notice of Annual General and Special Meeting and this Information Circular will be borne by Parex. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or by other means of communication and by directors and officers of Parex, who will not be specifically remunerated therefor. While no arrangements have been made to date by Parex, Parex may contract for the distribution and solicitation of proxies for the Meeting. The costs incurred by Parex in soliciting proxies will be paid by Parex.

These securityholder materials are being sent to both registered and non-registered (beneficial) owners of Common Shares. If you are a non-registered (beneficial) owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Asking Questions at the Meeting

Parex believes that the ability to participate in the Meeting in a meaningful way, including asking questions, remains important despite the decision to hold this year's Meeting virtually. Registered Shareholders, Beneficial Shareholders who have appointed themselves as proxyholders and proxyholders accessing the Meeting will have an opportunity to ask questions at the Meeting in writing by sending a message to the chair of the Meeting online through the virtual Meeting platform. It is anticipated that Shareholders will have substantially the same opportunity to ask questions on matters of business before the Meeting as in past years when the annual shareholders meeting was held in person.

Difficulties in Accessing the Meeting

Shareholders with questions regarding the virtual Meeting portal or requiring assistance accessing the Meeting website may contact Computershare support at 1-888-724-2416 (within North America) or +1-781-575-2748 (internationally).

If you are accessing the Meeting you must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. As previously noted, it is your responsibility to ensure internet connectivity for the duration of the Meeting. If you lose connectivity once the Meeting has commenced, there may be insufficient time to resolve your issue before ballot voting is completed. Therefore, even if your current plan is to access the Meeting and vote during the live webcast, you should consider voting your Common Shares in advance or by proxy so that your vote will be counted in the event you experience any technical difficulties or are otherwise unable to access the Meeting.

Exercise of Discretion by Proxy

The Common Shares represented by the form of proxy enclosed with the accompanying Notice of Annual General and Special Meeting and this Information Circular will be voted for or against or withheld from voting on any ballot that may be called for in accordance with the instructions of the Shareholder, but if no specification is made, they will be voted in favour of the matters set forth in the proxy. If any amendments or variations are proposed at the Meeting or any adjournments or postponements thereof to matters set forth in the proxy and described in the accompanying Notice of Annual General and Special Meeting and this Information Circular, or if any other matters properly come before the Meeting or any adjournments or postponements thereof, the form of proxy confers upon the Shareholder's proxyholder discretionary authority to vote on such amendments or variations or such other matters according to the best judgement of the person voting the proxy at the Meeting. At the date of this Information Circular, management of Parex knows of no such amendments or variations or other matters to come before the Meeting.

ADVISORIES

All dollar amounts in this Information Circular are in Canadian dollars, unless otherwise noted.

Oil & Gas Matters Advisory

This Information Circular contains certain oil and gas metrics, including finding, development and acquisition ("**FD&A**") costs and recycle ratio, which do not have standardized meanings or standard methods of calculation and therefore such measures may not be comparable to similar measures used by other companies and should not be used to make comparisons. Such metrics have been included herein to provide readers with additional measures to describe and evaluate the Company's performance; however, such measures are not reliable indicators of the future performance of the Company and future performance may not compare to the performance in previous periods and therefore such metrics should not be unduly relied upon. FD&A is the sum of total capital expenditures incurred in the period and the change in future development capital ("**FDC**") required to develop reserves. FD&A cost per barrel of oil ("**bbl**") is determined by dividing current period net reserve additions into the corresponding period's FD&A cost. Total capital expenditures includes both capital expenditures incurred and changes in FDC required to bring proved undeveloped reserves and probable reserves to production during the applicable period. Reserve additions are calculated as the change in reserves from the beginning to the end of the applicable period excluding production. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated FD&A generally will not reflect total finding and development costs related to reserves additions for that year. Recycle ratio is calculated as fourth quarter funds flow from operations for the noted year per bbl divided by FD&A cost per bbl for that year.

Non-GAAP and Other Financial Measures Advisory

This Information Circular uses various "non-GAAP financial measures", "non-GAAP ratios", "supplementary financial measures" and "capital management measures" (as such terms are defined in National Instrument 52-112). Such measures are not standardized financial measures under International Financial Reporting Standards ("GAAP") and might not be comparable to similar financial measures disclosed by other issuers. Such Non-GAAP measures should not be considered as alternatives to, or more meaningful than measures determined in accordance with GAAP. These measures facilitate management's comparisons to the Company's historical operating results in assessing its results and strategic and operational decision-making and may be used by financial analysts and others in the oil and natural gas industry to evaluate the Company's performance. Further, management believes that such financial measures are useful supplemental information to analyze operating performance and provide an indication of the results generated by the Company's principal business activities. Please refer to the Company's 2021 management's discussion and analysis ("MD&A") under "Non-GAAP and Other Financial Measures Advisory", which is available at the Company's website at www.parexresources.com and on the Company's profile on SEDAR at www.sedar.com for additional information about such financial measures, including reconciliations to the nearest GAAP measures, as applicable.

In this Information Circular, funds flow provided by operations has been disclosed, which is a capital management measure. See the MD&A under "Non-GAAP and Other Financial Measures Advisory" for the composition of such measure, an explanation of how such measure provides useful information to a reader and the additional purposes for which management uses such a measure, and a reconciliation of such financial measure to the most directly comparable GAAP measure disclosed in the Company's 2021 and 2020 financial statements, which information is incorporated by reference herein.

In this Information Circular, funds flow per share for the year-ended December 31, 2021 has been disclosed, which is a non-GAAP ratio. Funds flow per share uses funds flow from operations as a component, which is a capital management measure. See the Company's MD&A under "Non-GAAP and Other Financial Measures Advisory" for the composition of such non-GAAP ratio and an explanation of how such measure provides useful information to a reader and the additional purposes for which management uses such measure, which information is incorporated by reference herein.

In this Information Circular, enterprise value has been disclosed, which is a supplementary financial measure. Enterprise value is calculated as market capitalization plus net debt, minus cash. Enterprise value is used to assess the valuation of the Company.

Reserve Advisory

Certain reserves information contained in this Information Circular is based upon an evaluation (the "**GLJ Report**") prepared by GLJ Ltd. ("**GLJ**") dated February 3, 2022 and effective December 31, 2021 and an evaluation prepared by GLJ dated February 4, 2021 and effective December 31, 2020. Each report was prepared in accordance with the standards contained in the Canadian Oil and Gas Evaluation Handbook and the reserves definitions contained in National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities*. All December 31, 2021 reserves presented are based on GLJ's forecast pricing effective January 1, 2022 and all December 31, 2020 reserves presented are based on GLJ's forecast pricing effective January 1, 2021.

"Boes" may be misleading, particularly if used in isolation. A Boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (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. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil 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.

Advisory on Forward Looking Statements

This document contains forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "believe", "plan", "intent", "objective", "scheduled", "continuous", "ongoing", "estimate", "expect", "may", "will", "project", "should", or similar words suggesting future events, circumstances or outcomes, including, but not limited to: the Board's gender diversity targets and the anticipated timing thereof; the Company's ESG related strategy and targets described under the heading "Corporate Governance – ESG and Climate Change Governance", including its plans to eliminate routine flaring and have net-zero emissions and the anticipated timing thereof; and the goals and the anticipated effects of the Company's executive compensation strategy described under the heading "Executive Compensation Components". All such forward-looking statements are subject to important risks and uncertainties, including but not limited to the risks disclosed in the Company's MD&A under the heading "Risk Factors". With respect to the forward-looking statements contained herein, Parex has made assumptions regarding, among other things: current and future commodity prices and royalty regimes; Parex' availability of skilled labour; timing and amount of capital expenditures; the impact of increasing competition; conditions in general economic and financial markets; availability of equipment; effects of regulation by governmental agencies; recoverability of reserves and future production rates; future operating costs; that the Company will have sufficient cash flow, debt or equity sources or other financial resources required to fund its capital and operating expenditures and requirements as needed; that the Company's conduct and results of operations will be consistent with its expectations; that the Company will have the ability to develop the Company's oil and gas properties in the manner currently contemplated; current or, where applicable, proposed industry conditions, laws and regulations will continue in effect or as anticipated as described herein; that the Company will be able to meet its diversity targets and compensation strategy; and that the Company will be able to meet its ESG related targets. Unless otherwise indicated, forward-looking statements in this document describe the Company's expectations as at the date hereof and, accordingly are subject to change after such date. The Company's actual results and events could differ materially from those expressed or implied in the forward-looking statements in this Information Circular, if known or unknown risks affect the business of the Company, or if its estimates or assumption turn out to be inaccurate. As a result, the Company cannot guarantee that the results or events expressed or implied in any forward-looking statement will materialize, and accordingly, you are cautioned against relying on these forward-looking statements. The Company disclaims any intention and assumes no obligation to update or revise any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, except in accordance with applicable Canadian securities laws.

Distribution Advisory

The Company's future shareholder distributions, including but not limited to the payment of dividends and the acquisition by the Company of Common Shares, if any, and the level thereof is uncertain. Any decision to pay dividends (including the actual amount, the declaration date, the record date and the payment date in connection therewith) or acquire Common Shares of the Company will be subject to the discretion of the Board of Directors of the Company and may depend on a variety of factors, including those set forth under "Voting Shares and Principal Holders Thereof". Further, any buyback of Common Shares will be subject to regulatory approvals and compliance with applicable laws. There can be no assurance that the Company will pay dividends or buyback any Common Shares of the Company in the future.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares without nominal or par value. As at March 25, 2022, the Record Date of the Meeting, there were 117,286,367 Common Shares issued and outstanding, stock options ("**Options**") to purchase 809,354 Common Shares issued under the Company's stock option plan ("**Option Plan**"), restricted share units ("**RSUs**") representing the right to receive 139,840 Common Shares issued under the Company's restricted share unit plan ("**RSU Plan**"), 256,902 deferred share units ("**DSUs**") representing the right to receive a cash payment issued under the Company's deferred share plan ("**DSU Plan**"), 1,193,895 restricted share units ("**Cash/Share Settled RSUs**" or "**CosRSUs**") representing the right to either receive a cash payment or Common Shares purchased on the open market issued under the Company's cash or share settled restricted share unit plan ("**Cash/Share Settled RSU Plan**") and 697,773 performance-based restricted share units ("**Cash/Share Settled PSUs**" or "**CosPSUs**") representing the right to either receive, subject to meeting certain conditions, a cash payment or Common Shares purchased on the open market issued under the Cash/Share Settled RSU Plan, which have been granted to certain directors, officers and employees of the Company or of its subsidiaries. The Cash/Share Settled RSU Plan was implemented on February 7, 2019. See "*Statement of Executive Compensation – Executive Compensation Components – Long-Term Incentives – Cash/Share Settled RSUs and Cash/Share Settled PSUs*" in this Information Circular for more information on the Cash/Share Settled RSU Plan.

As at March 30, 2022, there were 117,313,210 Common Shares issued and outstanding, Options to purchase 802,618 Common Shares issued under the Option Plan, RSUs representing the right to receive 119,733 Common Shares issued under the RSU Plan, 256,902 DSUs representing the right to receive a cash payment issued under the DSU Plan, 1,187,979 Cash/Share Settled RSUs representing the right to either receive a cash payment or Common Shares purchased on the open market issued under the Cash/Share Settled RSU Plan and 697,773 Cash/Share Settled PSUs representing the right to either receive, subject to meeting certain conditions, a cash payment or Common Shares purchased on the open market issued under the Cash/Share Settled RSU Plan.

The holders of Common Shares are entitled to one vote per Common Share at meetings of Shareholders, to receive any dividend as and when declared by the Board of Directors of the Company (the "**Board"** or **"Board of Directors**") and to receive *pro rata* upon liquidation, dissolution or winding-up of the Company, the remaining property of the Company.

In 2021, the Board of Directors implemented a dividend program pursuant to which the Company expects to pay a regular quarterly cash dividend. If declared, the quarterly dividend is expected to be paid on or about the last day of the month in each quarter of March, June, September and December of each year to holders of record of Common Shares on or about the 15th day of such month.

Notwithstanding the foregoing, the decision to declare any dividend and the amount of future cash dividends declared and paid by Parex, if any, will be subject to the discretion of the Board of Directors and may vary depending on a variety of factors and conditions existing from time to time, including, without limitation, business performance, operating environment where Parex' assets are located, financial condition, growth plans, fluctuations in commodity prices, production levels, expected capital expenditure requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which Parex or any of its Subsidiaries is a party from time to time (including, without limitation, the agreements governing the Company's credit facilities), and the satisfaction of liquidity and solvency tests imposed by the *Business Corporations Act* (Alberta)("ABCA") for the declaration and payment of dividends. The actual amount, the record date and the payment date of any dividend are subject to the discretion of the Board of Directors. There can be no assurance that dividends will be paid at the current rate or at any rate in the future. The Board of Directors intends to review the dividend program from time to time, at its discretion. Depending on the foregoing factors and any other factors that the Board of Directors deems relevant from time to time, many of which are beyond the control of Parex, the Board of Directors may change the program following any such review or at any other time that the Board of Directors deems appropriate. Any such change may include, without restriction, future cash dividends being reduced or suspended entirely.

The Record Date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is March 25, 2022.

To the best of the knowledge of the directors and executive officers of the Company, no person or company, beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than ten percent (10%) of the votes attached to all of the issued and outstanding Common Shares.

OTHER MATTERS RELATED TO THE MEETING

Majority Voting for Directors

The Board has adopted a policy stipulating that if the "WITHHOLD" votes in respect of the election of a director nominee at the Meeting represent more than the "FOR" votes, the nominee will immediately submit his or her resignation for the Board's consideration. The Board will consider such resignation within 90 days and after reviewing the matter will determine, having regard to all matters it deems relevant, whether to accept such resignation or not. The Board will accept such resignation absent exceptional circumstances and the resignation will be effective upon acceptance by the Board. The Board's decision to accept or reject the resignation will be disclosed to the public through the issuance of a news release within 90 days of the Meeting, a copy of which will be provided by the Company to the Toronto Stock Exchange (the "**TSX**"). If the Board determines not to accept the nominee's resignation, such news release will disclose the reasons for the Board's decision. The nominee will not participate in any Board deliberations on the resignation. The policy does not apply in circumstances involving contested director elections.

Advance Notice By-law

Amended and Restated By-law No. 1 of the Company (the "**By-law**"), which was ratified by Shareholders at the Company's annual general and special meeting of Shareholders held in 2018, contains advance notice provisions, which provide Shareholders, the Board and management of the Company with a clear framework for nominating directors to help ensure orderly business at shareholder meetings by effectively preventing a Shareholder from putting forth director nominations from the floor of a shareholder meeting without prior notice. Among other things, the By-law fixes a deadline by which Shareholders must submit notice of director nominations to the Company prior to any annual or special meeting of Shareholders. It also specifies the information that a nominating Shareholder must include in the notice to the Company regarding each director nominee and the nominating Shareholder for the notice to be in proper written form in order for any director nominee to be eligible for nomination and election at any annual or special meeting of Shareholders of the Company. These requirements are intended to provide all Shareholders with the opportunity to evaluate and review the proposed candidates and vote on an informed and timely manner regarding such nominees. The By-law does not affect nominations made pursuant to a "proposal" made in accordance with the ABCA or a requisition of a meeting of Shareholders made pursuant to the ABCA. As of the date of this Information Circular, the Company has not received any nominations pursuant to the advance notice provisions contained in the By-law.

If Notice-and-Access Provisions are used for delivery of proxy related materials in respect of a meeting described above and the notice date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

Receipt of the Financial Statements and Auditors' Report

At the Meeting, Shareholders will receive and consider the financial statements of the Company for the year ended December 31, 2021 and the Auditors' Report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

Fixing the Number of Directors and Election of Directors

At the Meeting, it is proposed that the number of directors to be elected at the Meeting be fixed at nine (9) directors and that nine (9) directors be elected to hold office until the next annual general meeting of the Company, or until their successors are duly elected or appointed in accordance with the ABCA. All of the current directors of the Company, are standing for re-election at the Meeting.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form of proxy in favour of an ordinary resolution fixing the number of directors to be elected at the Meeting at nine (9) directors, and in favour of the election of the nine (9) nominees hereinafter set forth as directors of the Company:

Lisa Colnett	**Glenn McNamara**
Sigmund Cornelius	**Imad Mohsen**
Robert Engbloom	**Carmen Sylvain**
Wayne Foo	**Paul Wright**
G.R. (Bob) MacDougall	

2021 Voting Results

Motions	Outcome of Vote	Votes For		Against/Withheld	
		Number	Percentage	Number	Percentage
Fixing the number of directors at nine (9)	Approved	—	—	—	—
Election of the following nominees as directors:	Approved	—	—	—	—
Lisa Colnett		100,129,749	99.66	340,516	0.34
Sigmund Cornelius		99,732,459	99.27	737,806	0.73
Robert Engbloom		92,710,308	92.28	7,759,957	7.72
Wayne Foo		99,390,232	98.93	1,080,033	1.07
G. R. (Bob) MacDougall		99,783,539	99.32	686,726	0.68
Glenn McNamara		99,950,490	99.48	519,775	0.52
Imad Mohsen		100,155,940	99.69	314,325	0.31
Carmen Sylvain		97,411,461	96.96	3,058,804	3.04
Paul Wright		95,795,365	95.35	4,674,900	4.65
Appointment of Auditors	Approved	96,442,076	94.50	5,607,749	5.50
Shareholder protection rights plan agreement	Approved	99,134,022	98.67	1,336,243	1.33
Advisory vote on executive compensation	Approved	99,070,734	98.61	1,399,531	1.39

Board of Directors At-A-Glance

Directors Nominees

Wayne Foo
Chair of the Board

Robert Engbloom
Lead Director
Committee

Imad Mohsen
President &
Chief Executive Officer

Lisa Colnett
Committee

Sigmund Cornelius
Committee

G.R. (Bob) MacDougall
Committee

Glenn McNamara
Committee

Carmen Sylvain
Committee

Paul Wright
Committee

Committees

Finance & Audit Committee

Key Responsibilities:
Financial & Enterprise Risk (Cyber Security) Mgmt., Audit, Financial Disclosure

HR & Compensation Committee

Key Responsibilities:
Executive Compensation, Executive Performance & Succession, Employee Engagement & Development, DE&I

Corporate Governance & Nominating Committee

Key Responsibilities:
Governance, Board Diversity, Renewal & Effectiveness

HSE and Reserves Committee

Key Responsibilities:
Reserves Disclosure, Safety & Operational Performance, ESG (GHG Emissions Mgmt.)

Board Diversity

Age

45-59	60-69	70-75
2	6	1

Gender

Women	Men
22%	78%

Tenure

0-4 Years	5-9 Years	10-14 Years
3	3	3

Diversity of skills

All Board Members
Industry Knowledge
Governance & Financial Reporting
Strategy & Risk Management
Human Resources / Compensation

78%
International Operations Experience
Oil & Gas Exploration & Reserves
Health, Safety & Environment

57%
Oil & Gas Marketing

Director Profiles

The name, province and country of residence, and age of the persons nominated for election as directors, the number of voting securities of the Company beneficially owned or controlled or directed, directly or indirectly by each nominee, the period served as director and, the principal occupation of each and certain other information in respect of each of the nominees is set forth below:

Ms. Colnett brings over 20 years of senior leadership experience in industries ranging from mining to information technology. Since 1991, Ms. Colnett has held senior roles in human resources, information technology and strategy.

Lisa Colnett

Age: 63 | **Residence:** Ontario, Canada | **Director since:** May 12, 2015(1) | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	Parkland Corporation	15/16 Board of Directors (94%)	• Health, Safety and Environment
Human Resources and Compensation (Chair)	Northland Power	4/4 Human Resources and Compensation (100%)	• Strategy
HSE and Reserves		4/4 HSE and Reserves (100%)	• International Operations • Risk Management • Corporate Governance • Human Resources • ESG/Sustainability

Ms. Colnett is currently a Director and Chair of the Human Resources and Governance Committee of Parkland Corporation, an international supplier and marketer of fuel and petroleum products and a leading convenience store operator, and a Director and the Chair of the Human Resources and Compensation Committee of Northland Power, a global renewable power producer. Ms. Colnett brings over 20 years of experience in human resources for a variety of industries ranging from mining to information technology. Since 1991, Ms. Colnett has held senior roles in human resources, information technology and strategy including Senior Vice President and Chief Information Officer of Celestica Inc., Senior Vice President, Human Resources, also of Celestica Inc. and Senior Vice President, Human Resources and Corporate Services, of Kinross Gold Corporation. Ms. Colnett is a member of the Institute of Corporate Directors having completed the Directors Education Program.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)(4)	Current holding as multiple of Target	Status
2020	98.26	$200,000	4 times	Comply
2021	**99.66**	**$292,500**	**4 times**	**Comply**

	2021			2020		
Securities Held	Number		Value(2)	Number		Value(3)
Common Shares	**4,457**	**$**	**96,316**	4,450	$	77,964
Options	**—**	**$**	**—**	—	$	—
DSUs	**44,727**	**$**	**966,544**	41,095	$	719,984
RSUs	**—**	**$**	**—**	—	$	—
CosRSUs	**6,446**	**$**	**139,288**	5,995	$	105,032
CosPSUs	**—**	**$**	**—**	—	$	—
Total:		**$**	**1,202,148**		**$**	**902,980**

Mr. Cornelius brings over 40 years of leadership experience in the energy industry to Parex. He is currently the President of Freeport LNG Development L.P. and has previously served on numerous public and privately held companies.

Sigmund Cornelius

Age: 67 | **Residence:** Texas, USA | **Director since:** May 14, 2020[(1)] | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	None	16/16 Board of Directors (100%)	• General Oil and Gas Industry
Finance and Audit		4/4 Finance and Audit (100%)	• Reserves Evaluation
Human Resources and Compensation		4/4 Human Resources and Compensation (100%)	• Health, Safety, Environment
			• International Operations • Risk Management • Mergers and Acquisitions • Strategy • Financial Experience • Capital Markets • Geopolitical • ESG/Sustainability

Mr. Cornelius is currently the President of Freeport LNG Development L.P., a company based in Houston, Texas. From 1980 to 2010, he held various management and senior positions at ConocoPhillips Company, retiring as Senior Vice President and Chief Financial Officer in 2010. He has served on the board of multiple public and private companies, including Western Refining Inc., NiSource Inc., Andeavor Logistics LP, DCP Midstream LP,Parallel Energy Trust, United States Enrichment Corporation ("USEC"), Carbo Ceramics Inc. ("CARBO"), Columbia Pipeline Group Inc., and Chevron Philips Chemical Co.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)[(4)]	Current holding as multiple of Target	Status
2020	99.99	$180,000	0.4 times	Comply
2021	**99.27**	**$292,500**	**1 times**	**Comply**

	2021			2020		
Securities Held	Number		Value[(2)]	Number		Value[(3)]
Common Shares	—	$	—	—	$	—
Options	—	$	—	—	$	—
DSUs	**9,562**	$	**206,643**	4,115	$	72,095
RSUs	—	$	—	—	$	—
CosRSUs	**2,808**	$	**60,677**	4,115	$	72,095
CosPSUs	—	$	—	—	$	—
Total:		**$**	**267,320**		**$**	**144,190**

Mr. Engbloom brings over 40 years of experience in the areas of mergers and acquisition, governance, corporate and securities law to Parex. He has a range of board experience in both public and private and domestic and international companies, primarily in the energy sector.

Robert Engbloom

Age: 72 | **Residence:** Alberta, Canada | **Director since:** September 29, 2009[1] | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors (Lead Director) Corporate Governance & Nominating (Chair)	None	16/16 Board of Directors (100%) 4/4 Corporate Governance & Nominating (100%)	• Mergers and Acquisitions • Strategy • Financial Experience • Capital Markets • Corporate Governance • Legal

Mr. Engbloom is currently counsel at Norton Rose Fulbright Canada LLP, a national law firm in Canada and a member of the global Norton Rose Fulbright Group. Mr. Engbloom has more than 40 years experience in the areas of mergers and acquisitions, governance, corporate and securities law. His board experience spans a range of businesses both public and private, operating nationally and internationally, primarily in the energy industry.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)[4]	Current holding as multiple of Target	Status
2020	93.28	$250,000	6 times	Comply
2021	**92.28**	**$427,500**	**5 times**	**Comply**

	2021			2020		
Securities Held	Number		Value[2]	Number		Value[3]
Common Shares	**50,000**	**$**	**1,080,500**	50,000	$	876,000
Options	**—**	**$**	**—**	—	$	—
DSUs	**45,433**	**$**	**981,802**	38,520	$	674,870
RSUs	**—**	**$**	**—**	—	$	—
CosRSUs	**4,241**	**$**	**91,657**	6,744	$	118,155
CosPSUs	**—**	**$**	**—**	—	$	—
Total:		**$**	**2,153,959**		**$**	**1,669,025**

Mr. Foo is currently the Chair of the Board of Directors at Parex and was formerly the Company's Chief Executive Officer from 2009 to 2017.

Wayne Foo

Age: 65 | **Residence:** Alberta, Canada | **Director since:** August 28, 2009(1) | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors (Chair)	None	16/16 Board of Directors (100%)	• General Oil and Gas Industry • Reserves and Evaluation • Health, Safety and Environment • International Operations • Risk Management • Mergers and Acquisitions • Strategy • Capital Markets • Human Resources • ESG/Sustainability

Mr. Foo is currently Chairman of the Board of Directors of Parex. He was formerly Chief Executive Officer of Parex from September 29, 2009 to May 10, 2017 and President of Parex from September 29, 2009 to November 5, 2015. In addition, Mr. Foo was President and Chief Executive Officer of PARI from 2004 to 2009 and President and Chief Executive Officer of Dominion Energy Canada Ltd. from 1998 to October 2002.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)(4)	Current holding as multiple of Target	Status
2020	99.67	$380,000	71 times	Comply
2021	**98.93**	**$495,000**	**72 times**	**Comply**

	2021			2020		
Securities Held	Number		Value(2)	Number		Value(3)
Common Shares	**1,521,979**	**$**	**32,889,966**	1,521,979	$	26,665,072
Options	**—**	**$**	**—**	—	$	—
DSUs	**28,748**	**$**	**621,255**	24,935	$	436,861
RSUs	**87,000**	**$**	**1,879,200**	87,000	$	1,523,370
CosRSUs	**8,529**	**$**	**184,309**	8,350	$	146,292
CosPSUs	**—**	**$**	**—**	—	$	—
Total:		**$**	**35,574,730**		**$**	**28,771,595**

Mr. MacDougall brings over 30 years of industry and senior leadership experience to Parex. From 2004 to 2012, Mr. MacDougall was Executive Vice President and the Chief Operating Officer of Vermilion Energy Corporation.

G.R. (Bob) MacDougall

Age: 58 | **Residence:** Alberta, Canada | **Director since:** October 4, 2016[(1)] | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	None	16/16 Board of Directors (100%)	• General Oil and Gas Industry
Finance and Audit		4/4 Finance and Audit (100%)	• Reserves Evaluation
HSE and Reserves (Chair)		4/4 HSE and Reserves (100%)	• Health, Safety and Environment • International Operations • Risk Management • Mergers and Acquisitions • Strategy • Financial Literacy • Capital Markets • Human Resources • ESG / Sustainability

Mr. MacDougall is a professional engineer with close to 30 years of domestic and international oil and gas operations and senior executive management experience. Mr. MacDougall was Executive Vice President and Chief Operating Officer of Vermilion Energy Corporation from 2004 to 2012. Member of the Institute of Corporate Directors having completed the Directors Education Program.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)[(4)]	Current holding as multiple of Target	Status
2020	98.27	$210,000	4 times	Comply
2021	**99.32**	**$292,500**	**4 times**	**Comply**

	2021		2020	
Securities Held	Number	Value[(2)]	Number	Value[(3)]
Common Shares	**23,039**	**$ 497,873**	23,039	$ 403,643
Options	**—**	**$ —**	—	$ —
DSUs	**32,975**	**$ 712,580**	26,995	$ 472,952
RSUs	**—**	**$ —**	—	$ —
CosRSUs	**3,770**	**$ 81,463**	5,995	$ 105,032
CosPSUs	**—**	**$ —**	—	$ —
Total:		**$ 1,291,916**		**$ 981,627**

Mr. McNamara brings significant industry and leadership experience to the Board. He is currently the President and Chief Executive Officer at Heritage Resources LP and has held numerous executive leadership roles at other public companies.

Glenn McNamara

Age: 69 | **Residence:** Alberta, Canada | **Director since:** October 4, 2016[1] | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	Whitecap Resources Inc.	15/16 Board of Directors (94%)	• General Oil and Gas Industry
Human Resources and Compensation (Chair)		4/4 Human Resources and Compensation (100%)	• Reserves Evaluation
HSE and Reserves		4/4 HSE and Reserves (100%)	• Health, Safety and Environment • International Operations • Risk Management • Mergers and Acquisitions • Strategy • Financial Experience • Capital Markets • Corporate Governance • Human Resources • Geopolitical • ESG/Sustainability

Mr. McNamara is currently the President and Chief Executive Officer of Heritage Resources LP, a private fee title acreage owner business. Prior thereto, Mr. McNamara was the Chief Executive Officer and a director of PMI Resources Ltd. (formerly, Petromanas Energy Inc.), a public oil and gas company from September 2010 to May 2016. From August 2005 to August 2010, Mr. McNamara was the President of BG Canada (part of the BG Group PLC, a public gas company with its head office in the United Kingdom, trading on the London Stock Exchange). Mr. McNamara also currently serves on the board of Whitecap Resources Inc. and is a member of the Institute of Corporate Directors having completed the Directors Education Program.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)[4]	Current holding as multiple of Target	Status
2020	99.29	$180,000	3 times	Comply
2021	**99.48**	**$292,500**	**3 times**	**Comply**

	2021			2020		
Securities Held	Number		Value[2]	Number		Value[3]
Common Shares	**5,735**	**$**	**123,933**	5,720	$	100,214
Options	**—**	**$**	**—**	—	$	—
DSUs	**30,299**	**$**	**654,756**	26,995	$	472,952
RSUs	**—**	**$**	**—**	—	$	—
CosRSUs	**6,446**	**$**	**139,288**	5,995	$	105,032
CosPSUs	**—**	**$**	**—**	—	$	—
Total:		**$**	**917,977**		**$**	**678,198**

Mr. Mohsen is currently the President and Chief Executive Officer of Parex and brings significant international, industry and leadership experience from both public and privately held companies.

Imad Mohsen

Age: 48 | **Residence:** Alberta, Canada | **Director since:** February 4, 2021(1) | Non-Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	None	16/16 Board of Directors (100%)	• General Oil and Gas Industry • Reserves Evaluation • Health, Safety and Environment • International Operations • Risk Management • Government Relations • Mergers and Acquisitions • Strategy • Financial Literacy • Geopolitical • ESG/Sustainability

Mr. Mohsen is currently the President and Chief Executive Officer of Parex, a role that he has held since February 4, 2021. Prior thereto, he joined Royal Dutch Shell in 1997. Following assignments as Sustainable Development Advisor and Private Advisor to the Chief Executive Officer, in 2007 he moved to New Orleans, Louisiana as Development Manager, Subsea Gulf of Mexico from 2007 to 2011 and then to Cairo, Egypt as General Manager, Operations for Shell Egypt JV (Bapetco) from 2011 to 2013.

In 2013, Mr. Mohsen joined Tulip Oil Holding B.V., a private equity backed upstream company founded in 2010 to explore for and develop oil and gas opportunities in Western Europe. After initially serving as Chief Operating Officer, he was appointed Chief Executive Officer in 2015.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)(4)	Current holding as multiple of Target	Status
2020	N/A	N/A	N/A	N/A
2021	**99.69**	**$2,200,000**	**2 times**	**Comply**

	2021			2020		
Securities Held	Number		Value(2)	Number		Value(3)
Common Shares	**2,365**	**$**	**51,108**	—	$	—
Options	**33,584**	**$**	**—**	—	$	—
DSUs	**—**	**$**	**—**	—	$	—
RSUs	**—**	**$**	**—**	—	$	—
CosRSUs	**45,346**	**$**	**979,927**	—	$	—
CosPSUs	**50,519**	**$**	**1,091,716**	—	$	—
Total:		**$**	**2,122,751**		**$**	**—**

Ms. Sylvain is a former Canadian Ambassador and diplomat with over 30 years of experience in foreign affairs, international trade and investment.

Carmen Sylvain

Age: 61 | **Residence:** Quebec, Canada | **Director since:** July 7, 2017[1] | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	None	16/16 Board of Directors (100%)	• Health, Safety and Environment
Corporate Governance and Nominating		4/4 Corporate Governance and Nominating (100%)	• Risk Management
Human Resources and Compensation		4/4 Human Resources and Compensation (100%)	• Strategy
			• Government Relations
			• Corporate Governance
			• Geopolitical
			• ESG/Sustainability

Ms. Sylvain is a former diplomat with 30 years of combined experience in foreign affairs, international trade and investment. She was Ambassador to Colombia, Morocco and Mauritania and served as Assistant Deputy Minister for Europe, Africa and the Middle East as well was Assistant Deputy Minister for Strategic Planning within Global Affairs. In the private sector, she was strategic advisor to Borealis Infrastructure and the OMERS pension fund. She currently serves on the Boards of LCI Education Network, Orient Investment Properties and the Egyptian Refining Company. Ms. Sylvain is a member of the Institute of Corporate Directors having completed the Directors Education Program.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)[4]	Current holding as multiple of Target	Status
2020	99.55	$180,000	2 times	Comply
2021	**96.96**	**$292,500**	**2 times**	**Comply**

	2021			2020		
Securities Held	Number		Value[2]	Number		Value[3]
Common Shares	**2,344**	**$**	**50,654**	2,344	$	41,067
Options	**—**	**$**	**—**	—	$	—
DSUs	**21,499**	**$**	**464,587**	18,395	$	322,280
RSUs	**—**	**$**	**—**	—	$	—
CosRSUs	**6,446**	**$**	**139,288**	5,995	$	105,032
CosPSUs	**—**	**$**	**—**	—	$	—
Total:		**$**	**654,529**		**$**	**468,379**

Mr. Wright is a chartered professional accountant (CA) who brings over 35 years of domestic and international industry experience to the Board.

Paul Wright

Age: 62 | **Residence:** Alberta, Canada | **Director since:** September 29, 2009[(1)] | Independent

Parex Board and Committees:	Other Public Boards:	Meeting Attendance:	Key Experience and/or Expertise
Board of Directors	None	16/16 Board of Directors (100%)	• General Oil and Gas Industry
Finance and Audit (Chair)		4/4 Finance and Audit (100%)	• International Operations
Corporate Governance and Nominating		4/4 Corporate Governance and Nominating (100%)	• Risk Management
			• Mergers and Acquisitions
			• Strategy
			• Government Relations
			• Corporate Governance
			• Financial Experience
			• Financial Literacy
			• Capital Markets

Mr. Wright is a Chartered Professional Accountant (CA) with over 35 years of industry experience and currently works as a financial consultant. He has worked in senior financial roles in both domestic and international oil and natural gas companies. Mr. Wright is a member of the Institute of Corporate Directors having completed the Directors Education Program.

Annual General Meeting Voting Results		Share Ownership Requirement		
Year	% of votes For	Target Level ($)[(4)]	Current holding as multiple of Target	Status
2020	96.14	$210,000	6 times	Comply
2021	**95.35**	**$292,500**	**6 times**	**Comply**

	2021			2020		
Securities Held	Number		Value[(2)]	Number		Value[(3)]
Common Shares	**25,000**	**$**	**540,250**	36,000	$	630,720
Options	**—**	**$**	**—**	—	$	—
DSUs	**42,286**	**$**	**913,805**	36,095	$	632,384
RSUs	**—**	**$**	**—**	—	$	—
CosRSUs	**3,770**	**$**	**81,463**	5,995	$	105,032
CosPSUs	**—**	**$**	**—**	—	$	—
Total:		**$**	**1,535,518**		**$**	**1,368,136**

Notes:

(1) Parex' directors will hold office until the next annual general meeting of the Company's Shareholders or until each director's successor is duly elected or appointed in accordance with the ABCA.

(2) The market value of Common Shares for 2021 is the number of Common Shares held by each nominee as of December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61. The value of Options of each nominee is based on the difference between the market price of the Common Shares on the TSX at December 31, 2021 of $21.61 and the exercise price of the Options multiplied by the number of Common Shares issuable on exercise of such Options as of December 31, 2021. If the exercise price is greater than the market price the options are out of the money and assigned no value. The value of DSUs for 2021 is the number of DSUs held by each nominee as of December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61. The value of RSUs for 2021 is the number of RSUs held by each nominee as of December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 less the $0.01 exercise price. The value of CosRSUs and CosPSUs for 2021 is the number of CosRSUs and CosPSUs held by each nominee as of December 31, 2021 multiplied by the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61. The value of CosPSUs assumes a payout multiplier of 1x.

(3) The total market value of Common Shares for 2020 is the number of Common Shares held by each nominee as of December 31, 2020 multiplied by the closing price of the Common Shares on the TSX on December 31, 2020 of $17.52. The value of DSUs for 2020 is the number of DSUs held by each nominee as of December 31, 2020 multiplied by the closing price of the Common Shares on the TSX on December 31, 2020 of $17.52. The value of RSUs for 2020 is the number of RSUs held by each nominee as of December 31, 2020 multiplied by the closing price of the Common Shares on the TSX on December 31, 2020 of $17.52 less the $0.01 exercise price. The value of CosRSUs for 2020 is the number of CosRSUs held by each nominee as of December 31, 2020 multiplied by the closing price of the Common Shares on the TSX on December 31, 2020 of $17.52.
(4) Target Level is determined by multiplying the director's base retainer by 4.5 times, pursuant to the Share Ownership Policy.

The information as to Common Shares beneficially owned or controlled or directed, directly or indirectly, is based upon information furnished to the Company by the respective nominees.

As at March 30, 2022, the directors and executive officers of the Company, as a group, beneficially owned or controlled or directed, directly or indirectly, 2,314,019 Common Shares constituting approximately 2.0% of the issued and outstanding Common Shares. The number of Common Shares beneficially owned or controlled or directed, directly or indirectly, by each director and executive officer of the Company significantly exceeds the share ownership requirements under the share ownership policy for executive directors and officers that was implemented by the Company. See *"Corporate Governance – Share Ownership Policy"* in this Information Circular.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as noted below, to the knowledge of the directors, no proposed director of the Company (nor any personal holding company of any such persons):

(a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including Parex), that:

(i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**") that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

(b) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including Parex) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the ten 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.

In addition, no proposed director of the Company has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Mr. Cornelius was a director of Parallel Energy Trust (a TSX listed company) from March 2011 to February 2016. Parallel Energy Trust filed an application in the Court of Queen's Bench of Alberta for creditor protection under the *Companies' Creditors Arrangement Act* (Canada) and voluntary petitions for relief under Chapter 11 of the *United States Bankruptcy Code*. In the Chapter 11 proceedings, the Bankruptcy Court approved the sale of the assets of Parallel Energy Trust and the sale closed on January 28, 2016. On March 3, 2016, the Canadian entities of Parallel Energy Trust filed for bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) and a notice to creditors was sent by the trustee on March 4, 2016.

Mr. Cornelius was a director of USEC from March 2011 to 2014. In December 2013, USEC reached an agreement with its debt holders to file a prearranged and voluntary Chapter 11 bankruptcy restructuring in the first quarter of 2014. In March 2014, USEC filed the prearranged and voluntary Chapter 11 bankruptcy restructuring under Chapter 11 of the *United States Bankruptcy Code*. In September 2014, USEC emerged from bankruptcy proceedings with a new name, Centrus Energy Corp.

Mr. Cornelius was a director of CARBO from November 2009 to July 2020. In March 2020, CARBO and its direct wholly-owned subsidiaries filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas. As part of the process, CARBO entered into an agreement with Wilks Brothers, LLC. Pursuant to such agreement, CARBO emerged from Chapter 11 bankruptcy protection under new ownership of the Wilks Brothers, LLC.

Appointment of Auditors

Unless otherwise directed, it is management's intention to vote the proxies in favour of an ordinary resolution to appoint the firm of PricewaterhouseCoopers LLP, Chartered Professional Accountants, Calgary, Alberta, to serve as auditors of the Company until the next annual general meeting of Shareholders and to authorize the directors to fix their remuneration as such. PricewaterhouseCoopers LLP have been the auditors of the Company since September 29, 2009.

Certain information regarding the Company's Audit Committee, including the fees paid to the Company's auditors in the last two fiscal years, that is required to be disclosed in accordance with National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators is contained in the Company's annual information form for the year ended December 31, 2021, an electronic copy of which is available on the Company's SEDAR profile at www.sedar.com.

Shareholder Advisory Vote on Executive Compensation

The Board believes that Shareholders should have the opportunity to receive information to assist them in understanding the objectives, philosophy and principles used in its approach to executive compensation and to provide feedback to the Board on such matters. As such, the Board determined to include a Shareholder advisory vote (the "**Say on Pay Vote**") on executive compensation at the Company's annual general meetings of Shareholders, beginning with the Company's annual and special meeting of Shareholders held on May 11, 2016. The Say on Pay Vote is a non-binding advisory vote on the Board's approach to executive compensation. The purpose of the Say on Pay Vote is to provide Board accountability to the Shareholders for the Board's compensation decisions by giving Shareholders a formal opportunity to provide their views on the disclosed objectives of the Company's executive compensation plans, and on the plans themselves. At the Company's annual general meeting of Shareholders held in 2021, Shareholders voted 98.61% in favour of the Company's approach to executive compensation described in the Company's management information circular dated March 31, 2021.

Shareholders will be asked at the Meeting to vote, on an advisory basis, on the acceptance of Parex' approach to executive compensation as set forth in the "*Statement of Executive Compensation*" section of this Information Circular. Shareholders are encouraged to carefully review the information set forth in that section before voting on this matter. The "*Statement of Executive Compensation*" section discusses our compensation philosophy, the objectives of the different elements of our compensation programs and the way the Board assesses performance and makes decisions. It explains how the Company's compensation programs are centered on a pay-for-performance culture and are aligned with the long-term development strategy of our business and taking into account the interests of our Shareholders.

As this is an advisory vote, the results will not be binding upon the Board, however, the Board places a great deal of importance on the views of Shareholders and will take the results of the vote into account, as appropriate, when considering future compensation policies, procedures and decisions. The Board believes that it is essential for Shareholders to be well informed of Parex' approach to executive compensation and consider the advisory vote to be an important part of the ongoing process of engagement between the Shareholders and the Board. The Company will disclose the results of the Shareholder advisory vote as a part of its report on voting results for the Meeting.

In the event that the advisory resolution is not approved by a majority of the votes cast at the meeting, the Board will consult with its Shareholders (particularly those who are known to have voted against it) to understand their concerns and will review the Board's approach to compensation in the context of those concerns. Results from any such Board review, if necessary, will be discussed in the Company's management information circular for the annual meeting of Shareholders to be held in 2023. In addition, Shareholders may contact the Corporate Secretary of the Company by mail at the Company's head office at 2700 Eighth Avenue Place, West Tower, 585-8 Avenue S.W., Calgary, Alberta T2P 1G1, if they wish to share their view on executive compensation with the Board.

At the Meeting, Shareholders will be asked to approve the following resolution (the "**Say on Pay Resolution**"):

> "BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Parex Resources Inc. (the "**Company**"), that the shareholders accept the approach to executive compensation as disclosed in the "*Statement of Executive Compensation*" section in the management information circular of the Company dated March 30, 2022."

Unless otherwise directed, it is the intention of management to vote proxies in favour of the Say on Pay Resolution.

Other Matters

Management knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Annual General and Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgement of the person or persons voting the proxy.

Director Compensation

General

The DSU Plan was approved by the Board on April 1, 2015 and by Shareholders on May 12, 2015. DSU grants were made to independent directors on May 14, 2020. The Cash/Share Settled RSU Plan was approved by the Board on February 7, 2019, which does not, pursuant to TSX policies, require Shareholder approval. Cash/Share Settled RSUs were granted to independent directors on May 14, 2020.

The Human Resources and Compensation Committee ("HR&C Committee") retained compensation advice throughout 2021 from Willis Towers Watson & Co (“Willis Towers Watson”). Advice included a review of the CosPSU scorecard to align to corporate strategy, executive compensation and director share ownership guidelines. See "Statement of Executive Compensation – Comparator Group" in this Information Circular.

The current directors' compensation program is as follows, which is only available to directors who are not also NEOs (as defined herein).

Components of Director Compensation for 2021	
Cash Retainer	
Annual Retainer Fees	
Member of the Board	$65,000
Chairman of the Board	$110,000
Lead Director of the Board	$95,000
Committee Annual Retainer Fees	
Standing Committee Member	$0
Chair of Finance and Audit Committee	$20,000
Chair of HR&C Committee	$15,000
Chair of HSE and Reserves Committee	$15,000
Chair of a standing committee of the Board other than the Finance and Audit, HR&C and HSE and Reserves	$10,000
Meeting Fees	
Board Meeting Attendance	$1,500
Committee Meeting Attendance	$1,500
Equity Compensation	
Cash/Share Settled RSUs	50%
DSUs	50%

Directors elect each year to receive their annual retainers paid quarterly in cash and/or be awarded in Cash/Share Settled RSUs and DSUs. Each director makes the election late in the year, subject to blackout periods being in effect, for effect the following year. The default, if no election is made by an individual director each year, will be 100% cash for the annual retainer for the following year.

In May 2021, Parex director compensation program was amended to include a fixed annual retainer and the elimination of per-meeting fees for the first 12 Board or committee meetings attended by each director per year. After a director has attended 12 Board or committee meetings in a calendar year, such director will be entitled to a payment of $1,500 for attending in person or by telephone at each Board meeting or committee meeting of which they are a member. Where a director is not a committee member, the director will receive a payment of $1,500 for attending a meeting of such committee, when requested to do so by the committee's Chair.

Non-management directors are also eligible to receive long-term incentive compensation in the form of participation in the Cash/Share Settled RSU Plan and the DSU Plan. The number of long-term incentives granted, if any, is to be reviewed each year by the HR&C Committee for grants to be approved by the Board and awarded following any blackout period subsequent to the annual meeting of Shareholders. The annual long term incentive grants for directors is comprised of 50% Cash/Share Settled RSUs and 50% DSUs.

For a summary of the terms of the DSU Plan and Cash/Share Settled RSU Plan, see Appendix “D” and Appendix “E”, respectively, to this Information Circular.

Directors are reimbursed for miscellaneous out-of-pocket expenses, if any, incurred in carrying out their duties as directors.

Summary of Director Compensation[1]

The table below summarizes the director compensation for 2021:

Name	Fees earned[2] ($)	Share-based awards (DSUs)[3] ($)	Share-based awards (CosRSUs)[4] ($)	Option-based awards[5] ($)	All other compensation ($)	Total ($)
Lisa Colnett	96,500	60,328	60,328	—	—	217,156
Sigmund Cornelius	83,000	120,656	—	—	—	203,656
Robert Engbloom	142,000	135,652	—	—	—	277,652
Wayne Foo	154,500	72,901	72,901	—	—	300,302
G. R. (Bob) MacDougall	98,000	120,656	—	—	—	218,656
Glenn McNamara	102,500	60,328	60,328	—	—	223,156
Carmen Sylvain	83,000	60,328	60,328	—	—	203,656
Paul Wright	103,000	120,656	—	—	—	223,656

Notes:
(1) The Company does not provide non equity incentive plan or pension plan compensation to directors.
(2) See " Director Compensation – General".
(3) The grant date fair value of share-based awards (DSUs) is $23.07, being the weighted average of the prices at which the Common Shares traded on the TSX for the five trading days immediately preceding the grant date of May 10, 2021, as per the terms of the DSU Plan and a commonly accepted methodology for valuing compensation among the Company's peer comparator group. It is the same methodology used by the Company to determine the accounting fair value of the DSUs in accordance with International Financial Reporting Standard 2 – Share Based Payments.
(4) The grant date fair value of share-based awards (CosRSUs) is $23.07, being the weighted average of the prices at which the Common Shares traded on the TSX for the five trading days immediately preceding the grant date of May 10, 2021. This methodology for accounting fair value of Cash/Share Settled RSUs is in accordance with International Financial Reporting Standards 2 – Cash-Based Payments.
(5) Directors were not granted option-based awards (Options) in 2021.
(6) Mr. Mohsen, a director of the Company, is also the President and CEO (as defined herein) of the Company and is therefore a NEO. See "*Statement of Executive Compensation - NEO Summary Compensation Table*" for information with respect to Mr. Mohsen's compensation.

Director Fees

Fees were paid to directors in 2021 in accordance with the schedule of annual retainers and meeting fees outlined under "Director Compensation – General" above. The number of meetings attended by each director is outlined under the "Board of Directors – Director Profiles" section of this Information Circular.

Incentive Compensation

In accordance with the directors' compensation program, remuneration in the form of cash-settled DSUs and CosRSUs were provided to directors in 2021. No non-equity incentive compensation was provided to directors in 2021.

Parex' intention is for the timing of annual incentive plan awards to coincide with the election of directors at the Company's annual general meeting of Shareholders. Directors have not been granted option-based awards (Options) since 2013, or share-based awards (RSUs) settled with Common Shares from treasury since 2014.

Outstanding Option-based and Share-based Awards – Independent Directors (as at December 31, 2021)

The directors did not hold any outstanding option-based awards (Options) as at December 31, 2021. No non-equity incentive compensation was provided to directors in 2021.

		Share-Based Awards					
		Number of common shares or units of common shares that have not vested		Market or payout value of share- based awards that have not vested(2) ($)		Market or payout value of vested share-based awards not paid out or distributed(3) ($)	
Name	Grant date	DSUs	CosRSUs	DSUs	CosRSUs	DSUs	CosRSUs
Lisa Colnett	14-Nov-2016	—	—	—	—	154,789	—
	15-May-2017	—	—	—	—	154,789	—
	11-May-2018	—	—	—	—	114,101	—
	10-May-2019	—	962	—	20,786	62,358	—
	19-May-2020	—	2,808	—	60,677	90,994	—
	10-May-2021	—	2,676	—	57,825	57,825	—
Sigmund Cornelius	19-May-2020	—	2,808	—	60,677	90,994	—
	10-May-2021	—	—	—	—	115,649	—
Robert Engbloom	09-Nov-2015	—	—	—	—	221,126	—
	14-Nov- 2016	—	—	—	—	154,789	—
	15-May-2017	—	—	—	—	174,690	—
	11-May- 2018	—	—	—	—	128,696	—
	10-May-2019	—	1,083	—	23,395	70,097	—
	19-May-2020	—	3,159	—	68,262	102,382	—
	10-May-2021	—	—	—	—	130,022	—
Wayne Foo	15-May-2017	—	—	—	—	196,250	—
	11-May-2018	—	—	—	—	144,506	—
	10-May-2019	—	1,202	—	25,982	77,947	—
	19-May-2020	—	4,093	—	88,451	132,676	—
	10-May-2021	—	3,234	—	69,876	69,876	—
G. R. (Bob) MacDougall	6-Oct-2016	—	—	—	—	19,901	—
	14-Nov- 2016	—	—	—	—	154,789	—
	15-May-2017	—	—	—	—	154,789	—
	11-May- 2018	—	—	—	—	114,101	—
	10-May-2019	—	962	—	20,786	62,358	—
	19-May-2020	—	2,808	—	60,677	90,994	—
	10-May-2021	—	—	—	0	115,649	—
Glenn McNamara	06-Oct-2016	—	—	—	—	19,901	—
	14-Nov- 2016	—	—	—	—	154,789	—
	15-May-2017	—	—	—	—	154,789	—
	11-May- 2018	—	—	—	—	114,101	—
	10-May-2019	—	962	—	20,786	62,358	—
	19-May-2020	—	2,808	—	60,677	90,994	—
	10-May-2021	—	2,676	—	57,825	57,825	—
Carmen Sylvain	11-Jul- 2017	—	—	—	—	139,310	—
	11-May-2018	—	—	—	—	114,101	—
	10-May-2019	—	962	—	20,786	62,358	—
	19-May-2020	—	2,808	—	60,677	90,994	—
	10-May-2021	—	2,676	—	57,825	57,825	—
Paul Wright	09-Nov-2015	—	—	—	—	221,126	—
	14-Nov- 2016	—	—	—	—	154,789	—
	15-May-2017	—	—	—	—	154,789	—
	11-May- 2018	—	—	—	—	114,101	—
	10-May-2019	—	962	—	20,786	62,358	—
	19-May-2020	—	2,808	—	60,677	90,994	—
	10-May-2021	—	—	—	—	115,649	—

Notes:

(1) On March 7, 2017, the Board approved certain amendments to the DSU Plan to provide for the cash settlement of all DSUs (including the DSUs noted in the above table) rather than the settlement through the issuance of Common Shares.

(2) Based on multiplying the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 by the number of DSUs and CosRSUs, as applicable, that were not vested as at December 31, 2021.

(3) Based on multiplying the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 by the number of DSUs and CosRSUs, as applicable, that were vested but not paid out or distributed as at December 31, 2021.

Name	Option-based awards – value vested during the year ($)	Share-based Awards value vested during the year[1] DSUs ($)	CosRSUs ($)	Non-equity incentive plan compensation – value earned during the year[2] ($)
Lisa Colnett	N/A	$57,771	$49,418	N/A
Sigmund Cornelius	N/A	$115,542	$27,875	N/A
Robert Engbloom	N/A	$129,902	$55,574	N/A
Wayne Foo	N/A	$69,811	$67,593	N/A
G.R. (Bob) MacDougall	N/A	$115,542	$49,418	N/A
Glenn McNamara	N/A	$57,771	$49,418	N/A
Carmen Sylvain	N/A	$57,771	$49,418	N/A
Paul Wright	N/A	$115,542	$49,418	N/A

Notes:

(1) Based on multiplying the closing price of the Common Shares on the TSX on the vesting date by the number of DSUs and CosRSUs, as applicable, that vest on such date.

(2) The Company did not provide non-equity incentive plan compensation to independent directors during the year ended December 31, 2021.

Corporate Governance

National Instrument 58-101 - Disclosure of Corporate Governance Practices (**"NI 58-101"**) requires reporting issuers to disclose their corporate governance practices with reference to a series of guidelines for effective corporate governance (the **"Corporate Governance Guidelines"**) set forth in National Policy 58-201 - Corporate Governance Guidelines. Set out below is a description of the corporate governance practices of the Company, in accordance with NI-58-101.

Board Assessments

The Corporate Governance and Nominating Committee, in conjunction with the Chairman of the Board, has responsibility for assessing the performance of the Board as a whole, the committees of the Board and the individual directors. The size of the Board allows for significant and consistent communication amongst the directors and management with respect to matters of effectiveness. In 2021, the Company reevaluated and re-wrote its Board effectiveness survey and implemented a fulsome peer evaluation. See *"Board Accountability"* below. The process evaluates the purpose, performance and priorities of the Board and the organization. Ultimately, the Board and management team gained important performance feedback to strengthen relationships and focus on matters of relevance, and on creating Shareholder value. If and when necessary, the Board does engage external consultants to review their questionnaires, compile information and provide feedback to the Board. As the Company took steps to strengthen its self and peer assessment in 2021, all parts of this year's evaluation took place internally.

The outcome of this evaluation process was an integrated set of actionable priorities for the coming year for the Board as a whole, its Chair and committees, the CEO and individual directors. Priorities set this year provide a basis for performance reviews to be completed next year.

In 2021, The Board reviewed and re-wrote the skills matrix pursuant to current best practices and revised priorities for current and future directors' skills; see "Board Accountability" below. The skills and/or experience (denoted by "●") of current Board members are reflected within the table. Directors are identified by their last names.

Experienced and/or Expertise	Colnett	Cornelius	Engbloom	Foo	MacDougall	McNamara	Mohsen	Sylvain	Wright
Capital Markets: ability to assess capital market opportunities and regulations in connection with same	○	●	●	●	◉	●	◉	◉	●
Corporate Governance: experience with or understanding of the requirements of good corporate governance	●	●	●	●	●	●	◉	●	●
ESG/Sustainability: experience with or knowledge of evaluating and managing risks and opportunities related to a broad range of evolving environmental, climate related, and social criteria, including but not limited to emissions, water, land and energy use, and overall stakeholder engagement	●	◉	●	●	●	●	●	●	◉
Financial Experience: financial management experience or financial accounting, reporting, internal controls, corporate finance and/or investment management	◉	●	◉	◉	◉	◉	◉	●	●
Financial Literacy: ability to critically read and analyze financial statements	●	●	●	●	●	●	◉	◉	●
General Oil and Gas Industry: experience with various aspects of oil and gas business and operations, including exploration, development, production, marketing, technology and innovation,	◉	●	●	●	●	●	●	◉	●
Geopolitical: experience with analysis of how a country's or region's geography, history, culture and economy influences its politics and regional dynamics and the resulting impact on business.	◉	●	◉	●	◉	◉	◉	●	●
Government Relations: experience in government relations, broad regulatory, political and public policy processes in Canada and international jurisdictions at local, national and international levels	◉	●	◉	●	●	●	●	●	●
Health, Safety and Environment: direct experience with industry regulations and best practices related to workplace health, safety, and environmental issues in Canada and internationally	●	●	●	●	●	●	●	●	◉
Human Resources: experience with responsibility for human resources, including knowledge of creating effective compensation, benefits and long and short-term incentives plans and succession planning	●	●	●	●	●	●	◉	◉	◉
International Operations: international oil and gas, or comparable extractive industry, experience and perspective	●	●	●	●	●	●	●	◉	●
Legal: experience with laws governing extractive industries, capital markets, M&A, disclosure, and reporting requirements	○	●	●	◉	◉	◉	◉	◉	◉
Mergers and Acquisitions: experience in identifying, evaluating and executing on strategic, value adding assets/opportunities and leading an organization through mergers, acquisition and developmental opportunities	◉	●	●	●	●	●	●	◉	●
Reserves Evaluation: experience with oil and gas reserves evaluation and reporting	◉	●	◉	●	●	●	●	◉	◉
Risk Management: experience in evaluating and managing a large range of business risks facing a business, including ESG issues and IT cyber security.	●	●	●	●	●	●	●	●	◉
Strategy: experience in development and implementation of strategic planning	●	●	●	●	●	●	●	●	●

● Expertise in this area ◉ General experience ○ No experience or expertise

Board Accountability

Board effectiveness is critical to the success of the Company. To ensure Board members, committees, and processes remain effective, Directors are evaluated on an annual basis by completing a Board effectiveness survey. This year, the Board effectiveness survey was updated and expanded in order to ensure questions were being asked that addresses new areas of note in good corporate governance and to evaluate more categories of importance. The Board also introduced a fulsome, anonymous peer evaluation. Following the completion of the Board effectiveness survey and peer evaluations, the Board Chair and Lead Director met with each director one-on-one to engage in an open two-way discussion on any issues that either wanted to raise, with an emphasis placed on maximizing the contribution of each director to the Board and continually improving the effectiveness of the Board. The Board as a whole discussed the results of the findings and go-forward suggestions during in-camera sessions that took place at each Committee meeting held in the first quarter of 2022. The final piece of the individual assessment process is the review of the skills matrix noted above, outlining the experience and background of the directors in a variety of key subject areas. This updated matrix is maintained so that the members of the Board can identify areas for strengthening the Board as a whole and address them through the board renewal process. The Board Chair and Lead Director, also use the information obtained through these surveys to decide whether any changes are needed in Board processes, mandates, composition or committee structure. The Board will and has engaged external governance advisors to perform 360 degree performance assessments of Directors, and this was last completed in 2021.

Compensation

The HR&C Committee of the Board is comprised entirely of independent directors and is responsible for the functions of a compensation committee. See "Statement of Executive Compensation – Compensation Governance".

The HR&C Committee of the Board reviews competitive market data from third-party sources for compensation for directors and officers of the Company and makes recommendations regarding the format and quantum of such compensation to the Board for approval. As part of this process, external consultants may be engaged by the HR&C Committee from time to time to conduct a competitive review of, and to make specific recommendations on, compensation for directors and officers of the Company. See "Statement of Executive Compensation – Compensation Governance".

Conflicts of Interest

To address conflicts of interest, the members of the Board and executive officers are required to declare the nature and extent of any material interest in any transactions or agreements and may not vote in relation to any such matter. In certain cases, an independent committee may be formed to deliberate on such matters in the absence of the interested party.

The majority of the Board is comprised of independent directors. In any situation where a potential conflict may arise, a director must disclose such conflict and abstain from consideration of the particular transaction or agreement and voting as a result. As members of the Institute of Corporate Directors, the directors of the Company also subscribe to the statement of ethics of that organization.

Board and Committee Meetings without Management

The Board and each Committee of the Board has a written mandate. In accordance with the mandates, time is set aside at every meeting to meet in camera (without management present) to facilitate open and candid discussion. In 2021, there were sixteen Board meetings; four HSE and Reserves Committee meetings; four Finance & Audit Committee meetings; four Corporate Governance and Nominating Committee meetings; and four HR&C Committee meetings. An in camera session was held at the beginning and/or end of each of those meetings. The independent directors also routinely hold meetings at which non-independent directors and members of management are not in attendance. In 2021, sixteen of such meetings were held.

Director Independence

The Company currently has nine directors, of which eight are independent directors within the meaning of NI 58-101. Lisa Colnett, Sigmund Cornelius, Robert Engbloom, Wayne Foo, G.R. (Bob) MacDougall, Glenn McNamara, Carmen Sylvain, and Paul Wright are all independent directors of the Company within the meaning of NI 58-101. Wayne Foo, who was the Company's CEO until May 11, 2017 became independent under the definition of independence in NI 58-101 on May 11, 2020 as it was then three years since his retirement as an employee or executive officer of Parex. In the view of the Board, Mr. Foo has no direct or indirect relationship with Parex that could reasonably interfere in Mr. Foo's independent judgment, however, the Board has decided to continue the appointment of Robert Engbloom, who is independent, as Lead Director until May 2022, in observance of governance best practices, at which point the need for the position will be re-evaluated. Imad Mohsen who is the current President and CEO of the Company is not independent. On at least an annual basis, the Board conducts an analysis and makes a determination as to the "independence" of each member of the Board. The Finance and Audit Committee, HR&C Committee, Corporate Governance and Nominating Committee and HSE and Reserves Committee of the Board are all comprised entirely of independent directors.

The Company has adopted a written description for the Chair of the Board detailing the roles and responsibilities of the position which include the following:

- determining the schedules and agendas of the meetings of the Board and the Shareholders;
- enabling the design and implementation of effective committees of the Board including the selection of members;
- enhancing the Board effectiveness through guiding the Board composition and its succession planning, orientation of new directors and annual assessments of the Board and Committee effectiveness;
- working with management to provide counsel and guidance regarding the strategic management process and definition of significant business challenges;
- monitoring and evaluating the performance of the CEO and senior officers of the Company; and
- facilitating communication between the Board, management and Shareholders.

The mandate of the Board is attached as Appendix "A" hereto.

Director Participation with Other Reporting Issuers

Certain of our directors are presently directors of other issuers that are reporting issuers (or the equivalent). Ms. Colnett is a director of Parkland Corporation and Northland Power Inc. Mr. McNamara is a director of Whitecap Resources Inc.

Director Retirement Policy

The Company's director retirement policy requires that each director, upon reaching the age of 75 years old, will offer his or her resignation as a director of the Company to the Chair of the Board, which resignation will be effective immediately prior to the next annual meeting of Shareholders. The Board will consider such resignation and will determine whether to accept such resignation or whether to waive such resignation for a period of one year, having regard to all matters the Board deems relevant. The Company's director retirement policy was implemented in 2014 and is reviewed periodically for relevance and was last updated in 2018.

Director Term Limits and Board Renewal

As disclosed above, to ensure adequate board renewal, the Corporate Governance and Nominating Committee is responsible for conducting annual assessments of the Board as a whole, the committees of the Board and the individual directors. These assessments evaluate the tenure and performance of individual directors and review the composition and effectiveness of the Board and its committees. See "Corporate Governance – Board Assessments".

Parex does not currently have a policy regarding term limits for its directors. Board composition is assessed by the Corporate Governance and Nominating Committee as required to ensure that the Board has the right mix of skills and experience that will enable the Board to provide strong stewardship for the Company. Board renewal is facilitated by the Director Retirement Policy. See "Corporate Governance – Director Retirement Policy" in this Information Circular.

Diversity

Parex recognizes the benefits of diversity within its Board, at the executive level and all levels of the organization. The Board had previously adopted a Board and Management Diversity Policy in August 2016, however, the Board and management undertook to re-examine and refresh its approach to diversity, creating a new Diversity Policy which was approved February 4, 2021 for immediate implementation. The new Diversity Policy embraces the benefits of having an inclusive culture and a diverse Board. For the purposes of Board composition, diversity includes but is not limited to, business and industry skills and experience, gender, ethnicity, nationality, age, geographic background, and other personal characteristics. Consideration for nominations to the Board will be made based on capability, diversity and the needs of the Board at the applicable time. As a result, the Board is, and will be, comprised of highly qualified directors from diverse backgrounds. The goal of increasing diversity at the Board is to maximize its effectiveness, while providing for better corporate governance and decision making for the Company.

The Company also recognizes that gender diversity is an important aspect of diversity on the Board, and is committed to act diligently. As a result, the Board has established an objective to achieve and maintain a Board in which each gender represents at least 30% of such individuals. Significant efforts will be made to achieve this target by May 2022, with a commitment to achieve it no later than May 2023. Currently, of the nine directors, two are women (22%). As part of meeting the Board's renewal and diversity objectives, the Company is currently conducting a process to recruit one additional Board member.

In recommending nominations, the Corporate Governance and Nominating Committee applies the established Board skills matrix, aligned with the requirements of the Company, while aiming to achieve a Board composition that is in the best interests of the Company and its stakeholders. All members of the Board are encouraged to identify skill sets that are important in filling any director vacancies and to become actively involved in identifying suitable candidates to fill such vacancies. The Corporate Governance and Nominating Committee shall maintain a list of potential candidates and such list shall include candidates across genders, with the eventual goal of having a gender balanced list of potential candidates.

The Corporate Governance and Nominating Committee is authorized under its mandate and terms of reference to retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities to identify qualified candidates for Board. When engaging external advisors, they will be advised of the Diversity Policy, the Company's goal of promoting diversity, and such external advisors shall identify both female and male candidates for Board positions.

The Board encourages the consideration of women who have the necessary skills, knowledge, experience and character for promotion or hiring into a management position within the Company. The Board and the Corporate Governance and Nominating Committee are further committed to ensuring a diverse and inclusive culture across our organization by promoting equality of opportunity, in terms of employment, development, promotion and reward opportunities.

The Board supports the Company's efforts to promote, attract and retain highly skilled individuals that can add value to the Company's business while always having due regard to the benefits of diversity in our workplace. Currently, 1 out of 8 members of Parex' executive management team are women (12.5%). Across the leadership population, including the executive team, of 69 employees, 17 are women or 25% and 50 are employees from South America.

Education of Directors

All members of the Board are members of the Institute of Corporate Directors. If all nominated directors are elected, five directors, namely, Lisa Colnett, G.R. (Bob) MacDougall, Glenn McNamara, Carmen Sylvain and Paul Wright will have completed the Directors Education program. The Board has agreed to pay the tuition for any director of the Company who enrolls in one of the continuing education programs of the Institute of Corporate Directors.

Most of the Company's directors have significant experience in the oil and natural gas industry and the majority are members of professional organizations such as the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Canadian Institute of Chartered Professional Accountants, the Institute of Chartered Professional Accountants of Alberta, the Law Society of Alberta and the Canadian Bar Association. Each of those organizations have continuing education standards that apply to their members. In 2021, Parex implemented a Directors Education Policy to further encourage directors to attend such director education programs as they deem appropriate (given their individual backgrounds) to stay abreast of developments in corporate governance, the industry in which the Company participates and "best practices" relevant to their contribution to the Board generally as well as to their responsibilities in their specific committee assignments and other roles.

In 2021, Board members attended the following courses:

Month	Event	Organizer	Director Attendees
January	What Directors Should Know about the Social Purpose Beyond Profit Debate	ICD	Paul Wright
January	Audit Committee Effectiveness Short Course	ICD	Lisa Colnett
February	Climate Change Risks and Opportunities - The Role of Board Members	Women Corporate Directors	Carmen Sylvain
April	Employees Working from Anywhere, Everywhere, All the Time: Why Boards Need to Have Their Finger on the Pulse	ICD	Paul Wright
April	Employees Working from Anywhere, Everywhere, All the Time: Why Boards Need to Have Their Finger on the Pulse	ICD	Sigmund Cornelius
April	Board-Management Dynamics During Unprecedented Times	ICD	Paul Wright
April	Board Oversight of Related Party Transactions	International Finance Corporation	Carmen Sylvain
April	Virtual Audit Committee Effectiveness	ICD	G.R. (Bob) MacDougall
May	Board Oversight of Artificial Intelligence Short Course	ICD	Glenn McNamara
May	ICD National Director Conference: Next Level Governance In an Era of Massive Transformational Change	ICD	Lisa Colnett
May	Virtual Board Oversight of Strategy	ICD	G.R. (Bob) MacDougall
June	Agile Leadership in the Boardroom	Women Corporate Directors	Carmen Sylvain
June	Colombia Risk Analysis	Parex Resources	Board of Directors
July	Legal Primer on Climate Change: Directors' Duties and Disclosure Obligations	ICD	Paul Wright
October	Fundamentals of Climate Governance eLearning	ICD	Paul Wright
November	ESG roadmap: Everybody's Business	PriceWaterhouseCoopers	Paul Wright

Nomination of Directors

The Corporate Governance and Nominating Committee of the Board is comprised entirely of independent directors and is responsible for oversight of the Company's corporate governance, board development, executive appointments, human resources, disclosures and performance assessment functions.

While the Corporate Governance and Nominating Committee is ultimately responsible for recommending nominations for directors, all members of the Board are encouraged to:

- identify skill sets that they deem most important in filling any director vacancies; and
- become actively involved in identifying suitable candidates to fill such vacancies.

When deemed appropriate to ensure that a reasonable number of suitably qualified candidates are identified and considered for any director vacancies, the Board will retain an experienced third party search firm for this purpose.

Orientation of Directors

The Chair of the Board, in conjunction with the Corporate Governance and Nominating Committee, is mandated to facilitate the recruitment of new directors and ensure adequate orientation in order for new directors to fully understand the role the Board and its committees play in the organization. All new directors are provided with comprehensive background information about the Company and its operations to allow for informed decision making. The Company has an online secure site that provides the directors with regular information about the Company. The Company coordinates an annual offsite strategic planning session for all directors and management to review the strategic planning, operations, and organizational development of the Company.

Other Board Committees and Position Descriptions

The Company has established the Finance and Audit Committee, the HR&C, the Corporate Governance and Nominating Committee and the HSE and Reserves Committee of the Board, each comprised entirely of independent directors, in accordance with NI 58-101 and in respect of the HSE and Reserves Committee, National Instrument 51-101 - *Standards of Disclosure for Oil and Gas Activities* ("NI 51-101") guidelines. The Board has also developed mandates for each of the committees of the Board which detail the composition, duties and responsibilities of the committees. Certain information regarding the Finance and Audit Committee, including the mandate of the Finance and Audit Committee is contained in the Company's annual information form for the year ended December 31, 2021, an electronic copy of which is available on the internet on the Company's SEDAR profile at www.sedar.com and see "Statement of Executive Compensation – Compensation Governance – Mandate of the HR&C Committee" in this Information Circular for a description of the mandate of the HR&C Committee.

The HSE and Reserves Committee is responsible for:

- assisting management in fulfilling its responsibilities under NI 51-101 with respect to the oil and natural gas reserves evaluation process;
- reviewing any public disclosure and regulatory filings with respect to any reserves evaluation and related oil and natural gas activities;
- acting as the steward of the Company's operational performance;
- reviewing the Company's operating, development and portfolio management strategies, capital allocation, budgeting and forecasting and ensuring that the Company has in place an adequate process to review all material capital investments; and
- reviewing and monitoring the adequacy of the Company's Health, Safety and Environmental emergency response policies, plans, reporting and resources.

See above under "Orientation of Directors" and "Board Assessments" for a description of the responsibilities of the Corporate Governance and Nominating Committee.

The Board has developed a written position description for the Chair of the Board and the Chair of each Board committee. See "Director Independence" above for a summary of the written position description for the Chair of the Board. Each of the Company's written committee mandates provide that the committee shall appoint one member as committee Chair who will lead the committee meetings including determining agendas and schedules of the meetings, meeting with independent external consultants, and reporting committee activity and recommendations to the Board as a whole.

The Board has also developed a mandate for the CEO which details the duties and responsibilities of the CEO such as the following:

- leading and managing the Company within the parameters established by the Board;
- directing and monitoring the activities of the Company in a manner that safeguards and optimizes the assets of the Company in the best interest of the Shareholders;
- developing and recommending to the Board the overall corporate organizational structure;
- establishing and maintaining an annual plan approved by the Board for the appointment, development and succession of senior management;
- meeting all reporting requirements to the relevant authorities and to the Company's Shareholders; and
- fostering a corporate culture that promotes ethical practices and encourages individual integrity and social responsibility.

Share Ownership Policy

The Board has adopted a mandatory equity ownership policy for directors and executive officers on November 7, 2017 that was amended and approved on February 4, 2021. Independent directors are required to acquire and hold Common Shares with a minimum aggregate market value of four and a half times their annual cash retainers (including committee and committee chair additional retainers) and the CEO is required to acquire and hold Common Shares with a minimum aggregate market value of four times his base annual salary. The CFO is required to acquire and hold Common Shares with a minimum aggregate market value of three times his base annual salary. The executive officers of the Company other than the CEO and CFO are required to acquire and hold Common Shares with a minimum aggregate market value of two times their base annual salary. Determinations of the value of Common Shares owned by any director or executive officer will be based on the trading price of the Common Shares on the TSX. In the event that the market value of Common Shares owned by a director or executive officer falls below the original purchase price actually paid by the director or executive officer for such Common Shares, the original purchase price may be used when calculating the director or executive officer's Common Share ownership. The independent directors and executive officers have a period of five years from the date of the implementation of the initial policy on November 7, 2017, or from the date of their appointment as an independent director or executive officer of the Company, as applicable, whichever is later, to acquire the value of Common Shares required. As of December 31, 2021, all of the independent directors and executive officers of the Company were in compliance with the policy.

NEO Share Ownership Requirement - as at December 31, 2021

Name and Principal position	Salary ($)(1)	Target ownership guideline level ($)(2)	Current Holdings			Comply with ownership policy
			Shares (#)(3)	RSUs/ CosRSUs(4)	Value ($)(5)	
Imad Mohsen President and CEO	550,000	2,200,000	2,365	46,494	1,055,843	Yes
Kenneth Pinsky Chief Financial Officer and Corporate Secretary	358,750	1,076,250	355,162	69,920	8,213,176	Yes
Eric Furlan Chief Operating Officer	353,100	706,200	162,879	72,699	3,872,915	Yes
Michael Kruchten SVP Capital Markets & Corp Planning	310,650	621,300	60,412	39,660	1,616,153	Yes
Daniel Ferreiro President Parex Colombia	300,000	600,000	26,554	79,799	873,832	Yes

Notes:
(1) Salary at December 31, 2021.
(2) Target ownership guideline level is four times base annual salary for the CEO, three times base annual salary for the CFO, and two times base annual salary for all other executive officers. NEOs have five years to meet the threshold for ownership levels. Mr. Mohsen was appointed as President and CEO of Parex effective February 4, 2021 and has until February 4, 2026 to meet the Common Share ownership requirements. Therefore, Mr. Mohsen is considered to be in compliance with the policy.
(3) Represents Common Shares held at December 31, 2021.
(4) Units are a combination of RSUs and CosRSUs vested and unvested at December 31, 2021 with a maximum of 50% of the RSUs/CosRSUs towards target total ownership.
(5) Value is calculated using the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 per Common Share multiplied by the number of Common Shares and RSUs/CosRSUs held at December 31, 2021. A minimum of 50% of the target ownership value will be calculated using Common Shares.

Ethical Business Conduct

The Company has had a code of conduct since the inception of the Company in 2009. The code of conduct was most recently reviewed and amended in August 2021. A copy of the code of conduct can be obtained on the Company's SEDAR profile at www.sedar.com or upon written request to the Company.

As discussed above, the Board conducts an annual assessment process, a part of which focuses on the ethical business conduct of the Board and the organization as a whole. In addition, the Company has implemented a Whistleblower program throughout the organization.

The Company has not filed any material change reports since its inception that pertains to any conduct of a director or executive officer that constitutes a departure from the code of conduct.

Enterprise Risk Management

The Board and management are responsible to oversee Parex' enterprise risk management process ("ERM process"). The Board has delegated to the appropriate committee of the Board responsibility to review and assess the identification and management of enterprise risk management matters pertaining to such committee of the Board as follows:

Finance and Audit Committee: Oversight of financial risks including balance sheet risk, climate-related risk, and review of appropriate risk management policies and strategies. Engaging directly with our external auditors and internal control auditors in respect of financial controls and financial disclosure.

HSE and Reserves Committee: Oversight of the disclosure of Parex' oil and gas reserves and reporting requirements, including the appointment of a qualified external reserves evaluator. Oversight of Parex' environmental, health and safety practices and programs; environmental and safety protection; monitoring of surface access, including security risk; and investments in reducing energy consumption and greenhouse gas (GHG) emissions.

HR&C Committee: Oversight of compensation risk, including ensuring compensation practices do not motivate undue risk taking and short-term decision making at the expense of long-term goals. Oversight of employee relations, development, and diversity.

Corporate Governance & Nominating: Oversight of corporate governance practices including Board composition, education, diversity, Committee compensation and effectiveness.

The Board as a whole has retained oversight on CEO succession, Parex' business strategy, ethics-related practices and policies, impact of climate-related issues on strategy and ESG risk management, and Parex' overall approach to corporate sustainability and community relations efforts.

In May 2021, Company's IT Manager presented to the Board on the cyber security risks and trends applicable to the Company. This presentation included a detailed update with regards to the Company's cyber perimeter, systems, and awareness training of staff. The topic of cyber security will continue to be reviewed on an annual basis, as well as through regular updates, as required.

Parex' ERM process, approved by the Board of Directors, outlines the Company's risk management principles and expectations, as well as the roles and responsibilities of all staff. The ERM process includes a risk management framework and risk assessment tools, including a risk matrix. Parex' risk management framework contains the key attributes recommended by the International Standards Organization ("ISO") in its ISO 31000 – Risk Management Guidelines (2017). The results of the Company's ERM program are documented in a semi-annual summary presented to the Board of Directors as well as through regular updates.

ESG and Climate Change Governance

Parex believes that to benefit all stakeholders, delivering shareholder value must be coupled with achieving meaningful reductions in carbon intensity, ensuring that local communities where the Company operates benefit from its operations, and that the environment and the health and safety of local communities and employees are not compromised. Parex aims to deliver top-tier ESG performance, including becoming one of the least GHG-intensive oil and gas exploration and production companies. The Company has a governance structure in place to ensure effective management and oversight of ESG and climate-related risks and opportunities that could impact corporate strategy and performance.

Detailed information on the Company's governance structure and ESG performance and practices are discussed in Parex' disclosure documents available on the Company's website. The following discussion highlights the structure in place:

Governance

ESG and climate governance at Parex is overseen by the Board with the support of the four board committees as well as the ESG Steering Committee ("ESG SC") and the Sustainability Work Group with each having specific mandates and roles in ensuring that the Company is prepared to face current and emerging ESG and climate-related challenges.

Exercising its oversight responsibility of climate-related risks, the Board approved public GHG emissions reduction targets and an aspirational net-zero ambition based on management's recommendations in 2021. The Board and/or its Committees received quarterly updates from management on ESG matters, including performance against the annual GHG emission intensity reduction target; the development of a corporate diversity, equity, and inclusion plan; HS&E performance; and investments in and progress on renewable power generation projects.

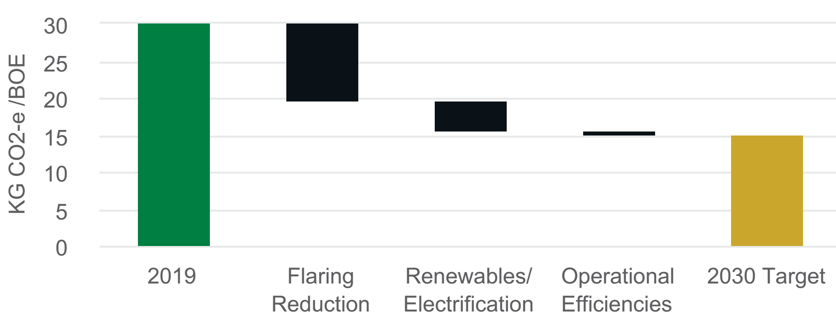
The President and CEO of Parex chairs the ESG SC, which is comprised of executives and two staff members and is primarily responsible for managing ESG and climate-related strategy, performance and disclosures. The ESG SC assists and supports the Board, its Committees and management with identifying, assessing, managing, and understanding current and emerging ESG and climate risks and opportunities as they relate to Parex' business. In 2021, the ESG SC:

- Participated in two workshops to validate material ESG issues for the 2020 Sustainability Report and the qualitative climate-related scenario analysis that informed Parex' Inaugural TCFD Report;
- Held five meetings to provide direction and receive updates on Board materials, GHG emissions reduction targets, and social initiatives;
- Reviewed ESG ratings and benchmarking information; and
- Approved public disclosures, including the TCFD Report, the CDP Responses, and the 2020 Sustainability Report.

Strategy

The Company's ESG and climate strategy is emerging and progressively being communicated to stakeholders. In 2021, Parex publicly outlined a pathway to GHG emissions intensity reduction, focusing on flaring reduction, renewables and electrification, and operational efficiencies. This milestone is the Company's first step in articulating a robust ESG and climate strategy.

Pathway to GHG Emissions Intensity Reduction



Parex' Climate-Related Targets

- Eliminate routine flaring by 2025
- Reduce operated scope 1 & 2 GHG emissions intensity by 50% by 2030 from a 2019 baseline
- Net-zero operated scope 1 and 2 emissions by 2050 (long-term ambition)

Risk Management

During the bi-annual risk register review in 2021, Parex identified a range of ESG risks, including climate-related physical and transition risks, and integrated them in the ERM process. Also, Parex performed its first qualitative climate-related scenario analysis to prioritize climate-related risks and opportunities with the potential to impact the Company over multiple time horizons. The climate scenario analysis outputs informed Parex' assessment of key climate-related risks in alignment with the ERM program. This highlights Parex' efforts to further integrate considerations of climate-related risks and opportunities into its long-term strategic planning efforts and objectives.

Parex' ESG risks and its corporate risk management approach have been described in the Company's MD&A and Annual Information Form for the year-ended December 31, 2021. Consistent with the treatment of other business and enterprise risks, management reports the ESG risks and risk assessments to the Board's Committee having oversight of the respective risk type. In turn, the Committees submit to the Board for a full review the top five risks assessed based on likelihood and impact scores. For any ESG or climate risk ranked within the top five risks, responsibility for management is assigned to an executive and responses and, in some cases, action plans are developed.

Metrics and targets

Parex reports publicly ESG and climate-related performance metrics; and responds to the CDP's questionnaires discussing corporate performance related to water management and carbon footprint metrics, including water withdrawals and consumption, energy consumption, GHG emissions, and GHG intensity. Metrics for 2021 are not yet available; however, Parex estimates a decrease of approximately 14% in scope 1 and 2 GHG emissions intensity from operated assets compared to 2020 level due to lower flaring volumes. A GHG emissions intensity ratio of 20 kg CO_2-e/boe, at year-end 2021, is a positive trend to meeting the 2030 target of 15 kg CO_2-e/boe (50% reduction from a 2019 baseline by 2030) announced last year.

The Company executed numerous ESG-related corporate objectives in 2021, resulting in (i) approximately 11,000 people gaining access to drinking water as Parex invested in water infrastructure in several communities near its operations; (ii) 3 local schools, with no access to the electric power grid, benefiting from the installation of solar panels; (iii) the development of a diversity, equity, and inclusion plan; (iv) and investments in renewable (geothermal and solar) power generation projects with the potential to avoid approximately 5,160 tCO_2-e annually. These initiatives, as well as the annual GHG emissions intensity reduction target, linked ESG performance metrics to approximately 30% of the 2021 at risk compensation for Management and employees.

In 2022, Parex' priorities are to further define its ESG strategy and plan and to continue aligning with the TCFD Recommendations. As the corporate ESG journey progresses, the Company will continue to update stakeholders by highlighting important initiatives that drive Parex' ESG disclosure and performance. Annually, the Company discloses on its website certain ESG performance data on material issues. The Company produces a fulsome sustainability report in accordance with sustainability reporting standards and documenting the Company's assessment of risks, opportunities, progress and challenges as they relate to sustainability issues. The content and methods used in the Company's sustainability disclosures are informed by the Sustainability Accounting Standards Board, the TCFD Recommendations, the Global Reporting Initiative Standards and the CDP (formerly Carbon Disclosure Project). The most recent scorecard, the 2020 Sustainability Report and the Company's inaugural TCFD Report dated December 20, 2021 are available on the Company's website. Parex expects to publish its 2021 Sustainability Report in Q3 2022.

Stakeholder Engagement

Parex is focused on engaging all stakeholders, including shareholders. Through active regular dialogue with its shareholders, Parex believes that direct interaction allows for strong alignment of the interests of shareholders with the interests of the Board and management team. Parex' shareholder base is primarily comprised of institutional investors. The Company conducts regular engagement with investors through non-deal roadshows, face-to-face meetings and broker-sponsored conferences. Additionally, our executive leadership team hosts teleconferences to discuss our quarterly financial and operating results. The teleconferences are audio cast and available to research analysts, shareholders and the public. The Company's annual shareholders meeting is also typically a forum where multiple stakeholders have an opportunity to directly engage with the Board and management. The Board of Directors can be directly contacted via email at boardofdirectors@parexresources.com.

Strategic Planning

The Board oversees the development and execution of a long-range strategic plan and a short-range business plan for Parex which are designed to achieve Parex' principal objectives and identify the principal strategic and operational opportunities and risks of our business. To assist the Board in meeting this responsibility, the agenda for every regularly scheduled Board meeting includes a discussion of the progress of the short-term business plan and quarterly financial results as well as management's views in respect of some if not all of the following; a review of business development, exploration, financial forecasts, human resources, ESG issues, and emerging opportunities and threats designed to provide the Board the information required for them to discuss and analyze the main risks associated with our business plan and make recommendations to adjust the plan if necessary.

In addition, the Board sets aside at least two days every year for a strategic planning session where they meet with management and discuss the long-term plan for the organization in detail. From time to time, external advisors are invited to present at these meetings. A fulsome in-camera session concludes each of these sessions.

Succession Planning

The Board is responsible for the stewardship of the Company with oversight in several key areas, including succession planning. Board succession planning is a regular topic of discussion at Corporate Governance and Nominating committee meetings, and subsequent Board meetings where potential Board candidates are considered and discussed.

The Board also has a governance responsibility for senior officer succession planning and includes specific, accountability for the succession planning for the President and CEO. Succession planning for senior officers was regularly discussed at HR&C Committee meetings and Board meetings, in camera, with the President and CEO summarizing details of executive development, leadership and performance in line with the strategic needs of the Company, while providing insights on the internal succession pipeline for future executive roles. The Board, as a whole, participates in the annual year-end performance assessment for the President and CEO, while providing input on the remainder of the executive team's leadership and delivery against their agreed goals. As a part of Parex' multi-year talent management strategy to develop employees and build capability, a leadership development program was delivered in 2021 for leaders across the organization. Building on the success and learnings from the 2021 program, a refined leadership program will be implemented in 2022 further enhancing capability and skill building.

Parex executives are regularly invited to participate in Board meetings, and to the annual strategic planning session, which provides additional opportunities for the Board to interact with management. Additionally, senior managers have been invited to certain meetings throughout the year to provide visibility to Board members of internal succession candidates.

Compensation Letter to Shareholders

The Human Resource & Compensation (HR&C) Committee is pleased to inform you of the executive compensation approach for Parex, which demonstrates its strong alignment to the Company's overall annual performance and Shareholder interests.

Our Performance
A focus on safe operations, financial discipline, and a robust return of capital to Shareholders, has resulted in an exceptional year for Parex in 2021. Under the leadership of our new CEO, Parex delivered strong operational performance and positioned the company for further growth with strategic land and asset acquisitions. Parex achieved strong financial performance, despite challenges brought on by the COVID-19 pandemic and national strikes, including delivering record annual funds flow from operations of US$578 million, up 94% from 2020, and recording net income of US$303 million, up 205% from 2020. Parex returned CAD$334 million to Shareholders through dividends and share repurchases, implemented a quarterly dividend, paid a CAD$0.25 per Common Share special dividend, and repurchased 10% of the Company's public float (12.9 million Common Shares).

Our Compensation Design & Approach in 2021
We appreciated your support in Parex' fourth Say on Pay vote at the 2020 annual general and special meeting with 98.61% of Shareholders voting 'for' our approach to executive compensation. Ensuring executive compensation meaningfully aligns performance and Shareholder return is a pillar of our compensation philosophy and a primary focus of the HR&C Committee. Our 2021 performance results influenced the compensation decisions summarized below and detailed under the "*NEO Summary Compensation Tables* and *NEO Incentive Plan Awards"*.

Our approach to compensation is consistent with prior years. The Program is designed to attract, retain, motivate, and reward executive achievement of the Company's short and long-term goals and progression of business strategy in alignment with Shareholder interests. The HR&C Committee is accountable for strong alignment between these, while ensuring that the executive compensation structure is competitive, with more than 75% of total compensation at risk. In short, this means business results are rewarded through performance-based compensation.

2021 Key Compensation Decisions
Throughout 2021, the HR&C Committee continued to ensure Parex' executive compensation program remained aligned with the overarching philosophy. While the overall design of the program remains the same, in 2021, the Board of Directors approved the following HR&C Committee recommendations:

- CEO Compensation: an increase to Mr. Mohsen's total direct compensation package by $0.7 million to $3.5 million for 2022, including annual at-risk compensation exceeding 80% of total compensation. This adjustment recognizes his performance since taking the role and the unique complexity and responsibilities of Parex, while staying within our philosophy of targeting the 50th percentile of peers.

  At the time of Mr. Mohsen's appointment to President and CEO of Parex, effective February 4, 2021, the HR&C Committee and the Board approved an annual total target direct compensation of $2.8 million based on an assessment of several factors including: internal executive pay structure and competitive compensation to attract the right candidate. In late 2021, the HR&C Committee identified the need for an increase in CEO compensation based upon its rigorous annual review of North American and International peer company pay levels and with consideration to his contributions to date.

- *Non-CEO Executive Compensation Adjustments:* a 3% increase to non-CEO executive pay levels for 2022. The value of this adjustment was applied to base salaries to improve executive market positioning against peer benchmarks. After applying this adjustment, non-CEO executive salaries are now positioned on average at the 40th percentile of peers. Annual incentive targets were reviewed and remain unchanged from the prior year.

  Salaries and annual incentive payout targets are reviewed regularly to ensure continued alignment with our compensation philosophy and with the executive's scope of responsibilities. The 3% increase is based on market forecasts and compensation survey data obtained from our independent compensation advisor Willis Towers Watson.

- Revised CosPSU Performance Criteria: Performance criteria associated with the 2021 CosPSU grant were revised to better align with areas of focus in the Company's revised updated business plan. The five metrics in the table below have an equal weighting of 20% and in combination will determine any multiplier. We believe that meeting these performance targets will deliver shareholder value over the next three years. Payouts will vary from 0-200% based on performance.

Measure	Rationale	Calculation	Calculation Period
Relative Total Shareholder Return (TSR)	Align Management rewards with shareholder return	Relative performance ranking against a set of industry peers (equity change + dividend)	End of 3 years
Absolute TSR	Align Management rewards with absolute shareholder return	Cumulative absolute TSR (equity change + dividends). No vesting if TSR is negative	End of 3 years
Strategy	Board assessment of delivery and progression of company strategy	Board will determine performance against strategic plan achievement	End of 3 years
ESG	Core aspect of business strategy ensuring continued progression of key ESG measures	Peer group relative ranking of Sustainalytics survey score	Averaging annual results
Cash flow per share (CFPS) growth	Demonstrate the company's ability to provide financial returns relative to our peers	Relative performance ranking against a set of industry peers of fully diluted annual CFPS growth	Averaging annual results

Our approach to executive compensation will continue to evolve to attract, retain and engage talent while supporting company strategy and remaining aligned with best governance practices and the interests of our stakeholders.

We welcome Shareholder feedback through this year's 'Say on Pay' voting process at the 2022 Annual General and Special Meeting.

Sincerely,

Human Resources and Compensation Committee

FOOTNOTE:
The December 31, 2021, MD&A and the audited consolidated financial statements for the years ended December 31, 2021, and 2020 provide further information on the operational and financial results of the Company and the definitions of any abbreviated terms used in this letter. These documents are available on Parex' SEDAR profile at www.sedar.com. See also "Advisories" in the Information Circular.

Compensation Discussion and Analysis

The Company was incorporated in August 2009 and since inception the HR&C Committee has reviewed all aspects of compensation to be provided to the Company's executive officers, including the current and former President and Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the three most highly compensated executive officers of the Company (including the Company's subsidiaries), other than the CEO and CFO, earning over $150,000 (collectively, the **"NEOs"** or **"Executives"**.

At the recommendation of the HR&C Committee, the Board approved an Executive compensation program, based on the following guiding principles and key objectives:

Guiding Principles

- Executive compensation must be directly linked to the Company's business model, strategy and goals;
- Executive compensation promotes long-term thinking and strategy;
- Executive compensation aligns the CEO and Executive incentives with the interests of Shareholders; and
- the Executive compensation program is founded on sound governance practices for the development and administration of executive compensation.

Key Objectives

- rewarding of performance according to the achievement of business and personal objectives and overall job performance;
- competitiveness with an external comparator group representative of the market, against which the Company is measured and with which the Company competes for talent; and
- attraction, engagement and retention of leadership focused on managing the Company's operations, finances and assets.

The Executive compensation program is designed to focus Executives' efforts and to reward the attainment of individual and Company performance goals and sustained performance, as measured by overall job performance and long-term growth and profitability.

Comparator Group

The HR&C Committee retained Willis Towers Watson in 2021 to review the Company's compensation peer group used for benchmarking Executive and director compensation. Willis Towers Watson did not recommend any changes to the Company's compensation peer group from the prior year.

The Company's comparator group is comprised of oil and natural gas exploration, development and production companies based principally in Calgary, Canada and with several of the companies having an operational focus outside of Canada. The companies in the comparator group are approved by the HR&C Committee, upon management's recommendation. The composition of the group will continue to be reviewed annually by the HR&C Committee for its ongoing business relevance to Parex. The goal is for Parex to be at approximately the 50^{th} percentile of key financial metrics compared to peers, including in assets and Total Enterprise Value. The composition of the group is comprised as follows:

Company	Enterprise Value[(1)] ($ Millions)
ARC Resources Ltd.	10,609
Baytex Energy Corp.	3,594
Birchcliff Energy Ltd.	2,271
Canacol Energy Ltd.	978
Crescent Point Energy Corp.	6,027
Enerplus Corporation	4,138
Frontera Energy Corp.	1,426
Geopark Ltd.	1,644
Gran Tierra Energy Inc.	1,154
International Petroleum Corp.	1,246
MEG Energy Corp.	5,972
NuVista Energy Ltd.	2,125
Paramount Resources Ltd.	3,727
Peyto Exploration & Development Corp.	2,649
Tourmaline Energy Inc.	14,342
Vermilion Energy Inc.	4,301
Whitecap Resources Inc.	5,839
Peer Comparator Group Average	**4,238**
Parex Resources Inc.	**2,119**

Note:
(1) Information was obtained from Bloomberg on March 16, 2022 and the information is as at December 31, 2021.

While this peer group provides a proxy for the broader marketplace in which the Company competes for executive talent; the HR&C Committee has identified a sub-group of six companies with more directly comparable operations to provide information on the compensation practices of Parex' closest peers within the broader energy market. The six companies in this sub-group are: Canacol Energy Ltd., Frontera Energy Corp., Gran Tierra Energy Inc., Enerplus Corp., Geopark Ltd. and Vermilion Energy Inc.

Compensation data from the comparator group was used as a key factor in the review and consideration of competitive levels and composition of compensation for the Company's Executives. Additional factors taken into consideration are performance, experience, time in role, and scope of responsibility. Peer benchmarking data is supplemented by data from the 2021 Mercer Total Compensation Survey for the Canadian energy industry for companies that met parameters typical of a mid-size exploration and production company with international operations similar to Parex.

Compensation Risk

The HR&C Committee reviews the Executive compensation program to be satisfied that it is structured to encourage decision making and outcomes that are in the best interests of Parex and its Shareholders while accepting an appropriate level of risk consistent with the Company's business plan as determined by the Board. The compensation structure rewards actions that result in a balance of the achievement of short-term goals and long-term strategies and does not encourage sub-optimization or reward actions that could produce short term success at the cost of long term Shareholder results. As well, annual budgets and quarterly and annual financial results are reviewed and approved by the Board. The compensation framework is structured to align with Parex' short and long-term strategic plans, such that corporate objectives are a key factor in assessing executive and employee performance. The HR&C Committee's risk oversight of the Company's Executive compensation program is accomplished in the following ways:

- a significant portion of Executive compensation is at risk (it is not guaranteed) and is variable year over year. For example, annual bonuses and annual Cash/Share Settled RSU, Cash/Share Settled PSU and Option grants are at the discretion of the Board from year to year and the Board has the discretion to amend total direct compensation in the event of extraordinary circumstances. As well, Cash/Share Settled PSUs have become a more significant component of Executive compensation, do not vest until after three years from grant date and will have a nil payout if certain minimum corporate performance metrics are not reached (see "Statement of Executive Compensation – Executive Compensation Components");
- bonus plan payouts are capped based on a percentage of salary and subject to overall maximum thresholds;
- the Option Plan and the Cash/Share Settled RSU Plan are designed to motivate long term performance, as Options have terms of three to five-years and vest over a three-year period and Cash/Share Settled RSUs have a term of three years and vest over a three-year period and Cash/Share Settled PSUs have a three-year cliff vesting period. These factors encourage long term sustainable Common Share price appreciation;
- recommendations for annual Cash/Share Settled RSU, Cash/Share Settled PSU and Option grants are reviewed by the HR&C Committee for recommendation to the Board for approval, with such recommendations being developed and reviewed relative to, amongst other things, executive retention needs, and appropriate total compensation positioning compared to similar positions in the market;
- a balanced set of corporate performance goals is used to assess overall corporate results and to determine the corporate portion of the annual bonus program. These are also a major driver in determining the individual portions of the annual bonuses for Executives and employees;
- third party verifications, such as independent engineering evaluations, of appropriate elements of the corporate performance goals are incorporated before the results are finalized;
- threshold corporate performance goals must be met for each element of the analysis. If a minimum threshold for performance is not met, there will be a zero bonus payout for that element;
- recommendations for annual bonus payments are reviewed by the HR&C Committee for recommendation to the Board for approval, with such recommendations being developed and reviewed relative to, amongst other things, corporate performance goal results and performance assessments completed with Executives;
- special awards may be paid to employees with outstanding performance and high potential and where significant contributions are made to the organization. Projects, key contributors and awards are recommended and ranked by the HR&C Committee and approved by the Board;
- compensation policies and practices in Parex' subsidiaries are substantially similar to those in Parex;
- compensation policies and practices are substantially similar for all Executives and employees; and
- the compensation expense for NEO's is not a significant percentage of Parex' revenue as outlined below:

	2019	2020	2021
NEO Compensation (CAD thousands)(1)	$ 8,623	$ 9,770	$ 12,400
Oil & Gas Revenue (CAD thousands)(2)	$ 1,477,665	$ 788,158	$ 1,325,180
NEO compensation/revenue (%)	**0.58**	**1.24**	**0.94**

Notes:

(1) See "Statement of Executive Compensation – NEO Summary Compensation Table". NEO compensation is comprised of salary, short-term incentive (bonus) and long term incentives. Includes the former President and CEO, Mr. Taylor’s compensation.

(2) Converted to CAD from USD using the Bank of Canada closing average rate for the period (December 31, 2021: $1.2535; December 31, 2020: $1.3415; and December 31, 2019: $1.3269).

The HR&C Committee did not identify any risks associated with Parex' compensation policies and practices for the year ended December 31, 2021 that were reasonably likely to have a material adverse effect on Parex. The HR&C Committee intends to monitor compensation governance and risk assessment practices, as these continue to evolve.

Executive Compensation Components

Compensation Philosophy

Parex' executive compensation philosophy outlines how the company remunerates its leadership team (and why), emphasizing the alignment of corporate culture and business strategy with the total rewards package offered. The Company's compensation philosophy is also the driver behind:

- The peer group(s) and markets against which the Company benchmarks its compensation arrangements;
- The desired competitive positioning against the markets for each element of pay;
- The desired performance emphasis of pay, focusing on either fixed or at risk compensation.

The Company continues to subscribe to a pay-for-performance compensation philosophy whereby total compensation is competitive with the external market, with short-term and long-term incentives providing the opportunity to earn above-market total compensation for high levels of corporate and personal performance. The value of Executive compensation is assessed as a total compensation package, based on the competitiveness of each key component, individually and in the aggregate.

Executive Compensation Program Components

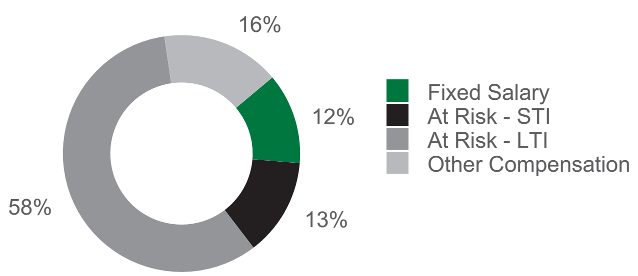
	Element	Award	Timeframe	Program Determinants
Fixed	Base Salary	Cash	Annual	• Performance • Experience • Roles and Responsiblities
At Risk	Incentive Bonus	Cash	Annual	Corporate and individual performance-based (75%/25%) • Performance based on company scorecard measured and approved by the Board • Payout range is between 0 and 150% of target incentive based on assessment, with 0% awarded below 50% threshold of performance
At Risk	Long-Term Incentives	Options	• Vests in thirds over three years • Expires 5 years after grant	Ensures market competitiveness and aligns with strategy to attract and retain talent • Realized value based on stock price performance
At Risk	Long-Term Incentives	Cash or Share Settled RSUs	• Vests in thirds over three years • Expires 3 years after Grant with a forced payout each vesting; No risk of losing shares	Ensures market competitiveness and aligns with strategy to attract and retain talent. • Realized value based on stock price performance • Settled in cash payment or payment Shares; election must be made on or before 30 days prior to the vesting
At Risk	Long-Term Incentives	Cash or Share Settled PSUs	• Cliff vesting after a three-year period with a forced payout; with participant to determine share or cash settlement	Realized value is determined by the Board in its assessment of the performance of the Corporation for the applicable vesting period based on the Performance Measures • Upon the assessment of all Performance Measures, the Board shall determine the applicable Payout Multiplier, which shall not be less than zero (0) and not more than two (2)

The key components of the Executive compensation program are base salary, short-term incentive (bonus) and long-term incentives (made up of Cash/Share Settled RSUs, Cash/Share Settled PSUs and Options). Cash/Share Settled RSUs and Cash/Share Settled PSUs are granted under the Cash/Share Settled RSU Plan. Fixed annual base salary compensates Executives for the roles they perform and provides a competitive foundation for each Executive's total compensation. Annual at risk compensation in the form of a cash incentive bonus is intended to motivate and reward the accomplishment of specific business and operating objectives within a one-year time period. Long-term at-risk compensation, which is provided in the form of Cash/Share Settled RSUs, Cash/Share Settled PSUs and Options, focuses Executives' performance on long-term strategic priorities, the creation of Shareholder value and acts to link Executive and Shareholder interests. In addition to these key components, the Company provides group benefits on a competitive level with peer comparator companies. Perquisites are also provided to Executives in the form of taxable paid monthly parking.

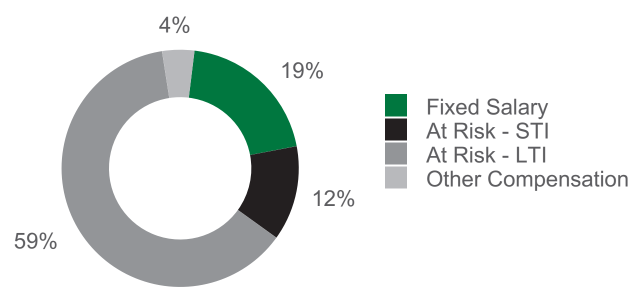
Target Compensation Mix

The target mix of key compensation elements is designed to place a significant portion of the Executive's annual compensation at-risk, where the value received is contingent on meeting defined performance requirements. At-risk compensation consists of the annual incentive bonus and long-term incentives (Options, Cash/Share Settled RSUs and Cash/Share Settled PSUs).

CEO Compensation Mix



NEO Compensation Mix



Base Salary

The base salary amounts for each Executive are targeted at the median of the Company's peer comparator group and are reviewed annually. The results of compensation studies carried out for the Company by Willis Towers Watson in 2021 indicated that based on competitive market data, a salary increase for all of the Executives was warranted and such salary increases were recommended by the HR&C Committee and approved by the Board and were effective January 1, 2021. Going forward, variance from the median could occur on the basis of an Executive's current and sustained performance, skills or potential, or based on material differences in the executive's responsibilities as compared to the peer comparator group. The base salary for the President and CEO is approved by the Board, upon the recommendation of the HR&C Committee. The base salary level for all other Executives is recommended by the President and CEO for consideration and approval by the HR&C Committee. Decisions for all positions are based upon comprehensive analyses of market data for similar positions, including the peer comparator group and the noted industry compensation survey.

Short-Term Incentive

The target annual incentive bonus varies by executive position level and was set as 100% of base salary for the President and CEO and 60% of base salary for the Company's other Executives.

Payment levels are weighted based on individual and corporate performance goals. The incentive bonus is paid within a range of between 50% and 150% of the target incentive bonus, provided minimum (threshold) performance is achieved, and subject to Board approval for a payment of greater than 150% for outstanding results against individual and corporate goals, as follows:

			Incentive Bonus Range Payment as % of Target Incentive Bonus)	
Position	Performance Weighting Corporate/Individual	Target Incentive Bonus (% Base Salary)(1)	Threshold	Exceptional
President and CEO	75% / 25%	100%	50%	150%
Chief Financial Officer	75% / 25%	60%	50%	150%
Chief Operating Officer	75% / 25%	60%	50%	150%
SVP Capital Markets & Corp Planning	75% / 25%	60%	50%	150%
President Parex Colombia	75% / 25%	60%	50%	150%

Note:
(1) As at December 31, 2021.

The Board approves corporate performance goals, based on business and performance measures commonly used in the oil and natural gas industry. Corporate goals for 2021 were approved in early 2021 for each of the performance areas. These goals are determined by the Board to be key annual performance requirements for the Company, and included cost management and margin optimization, growth of reserves, ESG and safety initiatives and other milestones for 2021. In 2021, the achievement level of 100% was based on corporate performance, with board discretion, summarized in the table below.

Objectives	Weight	Payout	Performance Results
Safety	10%	13%	• Achieved safety targets for lagging and leading indicators • Total recordable injury frequency (TRIF), lost time injury frequency (LTIF) and motor vehicle accidents (MVA) were better than target
Cost Management	10%	8%	• Achieved transportation costs that were better than target • G&A costs and well capital accountability were below target • Operating expenditures (opex) were below threshold; impact from Colombian blockades
Asset Sustainability	22%	11%	• Proved plus probable reserve additions were better than target • Finding and development costs were below threshold, and no payout was earned • New field production was below threshold, and no payout was earned
Strategic	40%	49%	• Delivered eight out of nine strategic milestones • Acquired 18 new blocks in the 2021 Colombia bid round and expanded strategic partnership with Ecopetrol S.A. • Successfully delivered all ESG initiatives
Base Operations	18%	16%	• Production was below threshold; impact from Colombian blockades • Production per share growth and free cash flow were better than target • GHG emissions intensity reduction was below target but above threshold
	100%	97%	
Board discretion		3%	
Payout		**100%**	

The President and CEO evaluates the leadership and overall performance of each Executive (other than the President and CEO). Based on the Executive's achievement of performance goals, the President and CEO recommends the incentive bonus for each Executive to the HR&C Committee for approval. The HR&C Committee evaluates the performance of the President and CEO and recommends the incentive bonus level for all Executives to the Board for approval.

The incentive bonus is paid during the first quarter of the year following the performance year, so that performance goal achievements relating to full year performance results can be verified.

Long-Term Incentives

Long-term incentives recommended by the HR&C Committee are granted by the Board in order to attract and retain high performing Executives in a competitive market environment, using criteria of retention requirements, past performance, individual potential, annual strategic planning by the Company and total Executive compensation. In 2021, these incentives were provided in the form of Options, Cash/Share Settled RSUs and Cash/Share Settled PSUs. The value of each individual's long term incentive is determined taking into account individual and Company performance, position with the Company as well as the value of total direct compensation versus compensation comparators. In 2021, the unit allocation of the long term incentives were awarded with a mix of 25% Options, 25% Cash/Share Settled RSUs and 50% Cash/Share Settled PSUs.

The number of Options, Cash/Share Settled RSUs and Cash/Share Settled PSUs are determined based on grant date fair value (see "Summary of Executive Compensation – NEO Summary Compensation Table" in this Information Circular) as well as on the dilutive impact on Shareholders and the number of Common Shares available for issuance. The Option Plan provides for the issuance of Options to a maximum of 5.0% of the issued and outstanding Common Shares of the Company, provided that the maximum number of Common Shares issuable pursuant to outstanding Options and all other security based compensation arrangements (as defined in the TSX Company Manual), shall not exceed 5.0% of the Common Shares outstanding from time to time.

Options

The Option Plan is administered by the Board or a committee thereof. For a summary of the Option Plan see Appendix "B" attached to this Information Circular. Under the Option Plan, grants to Executives other than the President and CEO are recommended by the President and CEO, reviewed by the HR&C Committee and approved by the Board. The Board approves Option grants for the President and CEO, upon the recommendation of the HR&C Committee. As of the date hereof, Options to purchase an aggregate of 802,618 Common Shares are issued and outstanding.

Under the Option Plan, the exercise price of each Option is to be determined at the discretion of the Board at the time of the granting of the Option, as are the term and vesting provisions, provided that the exercise price shall not be less than the closing trading price per Common Share on the TSX (or if the Common Shares are not listed on the TSX, on such stock exchange as the Common Shares are then traded) on the last trading day preceding: (i) the issuance of news release in respect of the Option grant; or (ii) if a news release is not issued announcing the Option grant, the date of grant, or, if the Common Shares are not listed on any stock exchange, a price determined by the Board, and provided that no Option shall have a term exceeding five years.

Options are normally granted to each Executive at the time of hire and are also granted annually. Replacement grants are not awarded. Any grant of Options is subject to the restrictions of the Option Plan.

RSUs and PSUs

The RSU Plan is administered by the Board or a committee thereof. For a summary of the RSU Plan see Appendix "C" attached to this Information Circular. At Parex' annual general and special Shareholders meeting held in 2020, Parex did not seek the requisite three-year approval under TSX policies of unallocated RSUs and PSUs under the RSU Plan and as a result no further grants can be made under the RSU Plan. While no new awards will be made under the RSU Plan, it will remain in place until such time as all outstanding RSUs and PSUs issued under it have been exercised, are cancelled or expired by their terms which is expected to occur in 2023. As of the date hereof, 119,733 RSUs are issued and outstanding, being exercisable for an aggregate of 119,733 Common Shares.

PSUs provide a performance multiplier on the base grant of 0 to 2 times, depending upon Company performance versus a defined peer group over a three-year cliff vesting period. The three corporate performance measures for the 2021 PSU vestings each with a one-third weighting, are as follows:

- Total Shareholder Return ("TSR"). The payout multiplier will be based on Parex' relative performance within the TSX Capped Energy index, excluding oil sands, royalty, service companies and any issuers that have less than a three-year return history. TSR will be calculated using the volume weighted daily average over the three year period.

- Production per Common Share Growth (debt or cash adjusted). The payout multiplier will be based on Parex' relative performance against a select oil weighted peer group within the TSX Capped Energy index, excluding oil sands, royalty, service companies and any issuers that have less than a three-year return history. Due to the small size of the peer group, the score will be calculated using a straight line with lowest performance being awarded a 0 and best performance a 2.

- Recycle Ratio. Based upon total proved producing reserves FD&A costs, calculated on an annual calendar basis. The payout multiplier will be the average of each calendar year score over the three-year term, based on Parex' relative performance against the same peer group as for the production per share growth performance. Due to the small size of the peer group the score will be calculated using a straight line, with lowest performance being awarded a 0 and best performance a 2.

The above corporate performance measures for the 2020 and 2021 PSU vestings include no discretionary elements. As well, for each of the measures, there will be a multiplier of 0 where performance is below the 25th percentile. Revisions to the CosPSU scorecard were implemented effective 2021, as referred to in the HR&C Committee Letter to Shareholders to better align at risk rewards to the shift in corporate strategy.

Calculation of Performance of the Long Term Incentive Plan

In February 2018 the HR&C Committee established the performance measures detailed in the table below in order to calculate the 2021 performance payout multiplier, which is used to determine the number of Common Shares to be issued pursuant to PSUs granted in 2018. The HR&C Committee, along with the Board, assessed performance against these measures.

The performance measures that were chosen we believe help align executive compensation with the long term business. TSR was chosen as a measure as we believe that a portion of the Executive's compensation should be directly aligned with the performance of the shares on a relative basis with the performance of our peers. The other two measures we believe build a sustainable oil & gas business. Production growth on a debt adjusted basis was chosen as the ability to increase production on a per share basis is a better measure of sustainability than absolute production growth as it neutralizes the capital structure. Recycle ratio is a measure of capital efficiency/profitability as it is calculated as funds flow divided by FD&A costs. Note that in future years the HR&C Committee may revise the performance measures for future grants.

2018's Grant, Paid Out in 2021:

Performance Measures	Results/Quartile Ranking	Multiplier	Weighting	Weighted Multiplier Score
TSR vs. the peer group calculated on the basis of a rolling 3 year weighted average(1)	Parex' TSR of 12.2% ranked 1 out of 23 member companies of the S&P/TSX Oil & Gas Index resulting in 1st quartile score.	2.0	0.34	0.68
Production growth calculated on a debt adjusted per share basis using a 3 year average of each year's rank(2)	Parex finished in the 1st quartile of the S&P/TSX oil weighted capped energy index excluding integrated and oil sands companies ranking 1 out of 12 companies in 2 years and 2 out of 10 companies in one year.	1.92	0.33	0.63
Recycle ratio calculated using proved developed producing reserve additions using a 3 year average of each year's rank (3)	Parex ranked 1 out of 10 member companies of the S&P/TSX oil weighted capped energy index excluding integrated and oil sands companies for each year of the three year period.	2.0	0.33	0.66
Total Score				1.97
Payout Multiplier				**1.97x**

Notes:
(1) Calculated using the weekly weighted average share price performance with the December 2018 weighted average share price being the starting point and December 31, 2020 the end point. TSR includes the payment of any dividends declared during the period.
(2) Calculated by taking production growth expressed as a percentage each year in the 3 year performance period and dividing by the weighted average shares outstanding adjusted by the amount change in net working capital (including bank debt if any) to on a notational basis buy back shares and so reduce the weighted average share count used in the calculation, or in the case of a reduction in net working capital or an increase in net bank debt sell shares on a notional basis to fund the reduced working capital or increase in bank debt.
(3) The recycle ratio is calculated by dividing the weighted average fund flows from operations netback on a per boe basis for the period October 1 to December 31 of each year for each year of the three year period by the weighted average cost to find or acquire and develop reserves on a per boe basis (including change in future development capital) for the same period. Parex is ranked with the peer group results to determine each year's rank for Parex. The ranking result for the three year period is the simple average of each year's ranking.

Cash/Share Settled RSUs and Cash/Share Settled PSUs

The Cash/Share Settled RSU Plan is administered by the Board or a committee thereof. For a summary of the Cash/Share Settled RSU Plan see Appendix "E" to this Information Circular. Under the Cash/Share Settled RSU Plan, grants of Cash/Share Settled RSUs and Cash/Share Settled PSUs to Executives other than the President and CEO are recommended by the President and CEO, reviewed by the HR&C Committee and approved by the Board. The Board approves Cash/Share Settled RSU and Cash/Share Settled PSU grants for the President and CEO, upon recommendation of the HR&C Committee. As of the date hereof, 1,187,979 Cash/Share Settled RSUs and 697,773 Cash/Share Settled PSUs are issued and outstanding. Any grant of Cash/Share Settled RSUs and Cash/Share Settled PSUs is subject to the restrictions of the Cash/Share Settled RSU Plan.

Cash/Share Settled PSUs provide a performance multiplier on the base grant of 0 to 2 times, depending upon Company performance versus a defined peer group over a three-year cliff vesting period.

Compensation Governance

Human Resources and Compensation Committee

The HR&C Committee is responsible for reviewing all aspects of compensation to be provided to the Company's executive officers and make recommendations to the Board consistent with this mandate. The members of the HR&C Committee are Lisa Colnett (Chair), Sigmund Cornelius, Glenn McNamara and Carmen Sylvain. The skills and experience that enabled the current members of the HR&C Committee to make decisions on the suitability of the Company's compensation policies and practices and the independence of each member is summarized in the table below.

HR & C Committee Member	Independent	Skills & Experience Relevant to HR&C Committee
Lisa Colnett Chairperson ICD.D	Yes	Currently a Director and Chair of the Human Resources and Governance Committee of Parkland Corporation, an international supplier and marketer of fuel and petroleum products and a leading convenience store operator, and a Director of Northland Power, a global power producer. Ms. Colnett brings over 20 years of experience in human resources for a variety of industries ranging from mining to information technology. Since 1991, Ms. Colnett has held senior roles in human resources, information technology and strategy including Senior Vice President Human Resources and Chief Information Officer of Celestica Inc., Senior Vice President, Human Resources and Corporate Services, also of Celestica Inc. and Senior Vice President, Human Resources, of Kinross Gold Corporation. Member of the Institute of Corporate Directors having completed the Directors Education Program.
Sigmund Cornelius	Yes	Currently President of Freeport LNG Development L.P., a company based in Houston, Texas. From 1980 to 2010, he held various management and senior positions at ConocoPhillips Company, retiring as Senior Vice President and Chief Financial Officer in 2010. He has served on the board of multiple public and private companies, including Western Refining Inc., NiSource Inc., Andeavor Logistics LP, DCP Midstream LP, Parallel Energy Trust, USEC, CARBO, Columbia Pipeline Group Inc., and Chevron Philips Chemical Co.
Glenn McNamara ICD.D	Yes	Currently the President and Chief Executive Officer of Heritage Resources LP, a private fee title acreage owner business. Prior thereto, Mr. McNamara was the Chief Executive Officer and a director of PMI Resources Ltd. (formerly, Petromanas Energy Inc.), a public oil and gas company from September 2010 to May 2016. From August 2005 to August 2010, Mr. McNamara was the President of BG Canada (part of the BG Group PLC, a public gas company with its head office in the United Kingdom, trading on the London Stock Exchange). Mr. McNamara also currently serves on the board of Whitecap Resources Inc. Member of the Institute of Corporate Directors having completed the Directors Education Program.
Carmen Sylvain ICD.D	Yes	Ms. Sylvain is a former diplomat with 30 years of combined experience in foreign affairs, international trade and investment. She was Ambassador to Colombia, Morocco and Mauritania and served as Assistant Deputy Minister for Europe, Africa and the Middle East as well was Assistant Deputy Minister for Strategic Planning within Global Affairs. In the private sector, she was strategic advisor to Borealis Infrastructure and the OMERS pension fund. She currently serves on the Boards of LCI Education Network, Orient Investment Properties and the Egyptian Refining Company. Ms. Sylvain is a member of the Institute of Corporate Directors having completed the Directors Education Program.

Mandate of the HR&C Committee

The HR&C Committee of the Board is responsible for oversight of the Company's executive appointments; succession planning; compensation; human resources; Option Plan, RSU Plan, Cash/Share Settled RSU Plan and DSU Plan disclosures and performance assessment functions.

In particular, the HR&C Committee's responsibilities include, but are not limited to:

1. establishing a process for identifying, recruiting and appointing officers of the Company;
2. monitoring, assessing and making recommendations regarding compensation, benefits, short and long-term incentive programs and employee retention programs, to ensure that the Company's compensation programs are competitive and that the Company is in a position to attract, motivate and retain the quality of personnel required to meet its business objectives;
3. encouraging alignment between the tactical performance of the officers and the Company and the strategic objectives and goals of the Company;
4. reviewing and recommending to the Board:
   (a) appointments of the officers of the Company;
   (b) the approval of terminations, and severance arrangements for officers;
   (c) approval of officers' annual compensation and benefits package and related terms of employment based on the officers' annual performance evaluations and any changes thereto, as well as competitive market data from third party sources for compensation of officers;
   (d) approval of annual compensation and benefits packages for the employees of the Company, employment contracts and other related terms of employment, including the forms of incentive compensation payable; and
   (e) overall budget salary changes for the Company's employees (including officers) including cash compensation consisting of salary and bonuses, and the number of new Options, RSUs and Cash/Share Settled RSUs;
5. reviewing annually the adequacy of directors' compensation to ensure it reflects the responsibilities and risks of membership on the Board and its committees and make recommendations relating to the directors' compensation;
6. reviewing overall human resource policies and procedures including recruitment, performance management, compensation, benefit programs, resignations/terminations, training and development, succession planning and organizational planning and design;
7. recommending to the Board approval of the terms of the Option Plan, RSU Plan, DSU Plan and Cash/Share Settled RSU Plan of the Company and any other security based compensation plans and any amendments thereto and approval of corporate performance measures and targets used to calculate Option Plan, RSU Plan, DSU Plan and Cash/Share Settled RSU Plan annual grants and other compensation plans; and
8. reviewing and recommending to the Board the payout multiplier to be applied at the time of vesting of PSUs under the RSU Plan and the Cash/Share Settled PSUs under the Cash/Share Settled RSU Plan.

The HR&C Committee's responsibilities include the Company having in place a process to provide for the orderly succession of management. The Board reviews the succession plan for the President and CEO as well as for other management positions at least once per year, including at the annual Board strategic planning meeting. In 2020, a special committee of the Board was established to identify an executive search partner that would lead a search for a successor to Mr. David Taylor upon his retirement as President and CEO of the Company. The global search process identified Mr. Mohsen as the top candidate and announced his appointment in December 2020, effective February 4, 2021.

Compensation Consultants

The HR&C Committee selected Willis Towers Watson in 2020 as its independent compensation advisors through a rigorous evaluation process. Through 2021, Willis Towers Watson was retained to benchmark, review and make recommendations for Executive and Directors' compensation against the Company's peer group of companies, as well as to review the Company's long-term incentive plans. A summary of 2020 and 2021 Executive and Director compensation reviews is listed below.

Consultant	Date Retained	Mandate	Executive Compensation-Related Fees (includes GST)
Willis Towers Watson	December 16, 2021	2022 CEO pay package report and correspondence. PSU/LTI design and correspondence. Executive team 2022 pay scenarios.	$33,127.20
Willis Towers Watson	November 24, 2021	2022 Executive compensation analysis including pay for performance analysis	$22,036.46
Willis Towers Watson	October 26, 2021	PSU/Long term incentive design	$2,033.00
Willis Towers Watson	September 27, 2021	Director compensation guidance	$682.50
Willis Towers Watson	August 31, 2021	PSU/Long term incentive design and peer group analysis	$15,327.63
Willis Towers Watson	July 26, 2021	PSU/Long term incentive design	$7,302.75
Willis Towers Watson	June 23, 2021	Executive Compensation – VP New Venture recruitment	$3,700.00
Willis Towers Watson	April 23, 2021	Discussion re Executive Pay	$1,029.88
Willis Towers Watson	March 15, 2021	Director Compensation – share ownership guidelines analysis	
Willis Towers Watson	January 13, 2021	CEO Compensation and Option valuation	
Willis Towers Watson	December 14, 2020	CEO pay package report and correspondence. LTI plan design discussions. Share ownership guidelines research and updated director compensation recommendations.	$15,445.35
Willis Towers Watson	November 12, 2020	CEO pay package report and correspondence. LTI plan design discussions. Review employee agreement. Correspondence regarding Country Manager offer structure. 2021 pay decision worksheets.	$9,334.88
Willis Towers Watson	October 14, 2020	LTI plan design discussions. Pay for performance analysis. Colombia market pricing.	$24,760.27
Willis Towers Watson	September 14, 2020	New CEO compensation analysis and discussion. Pay for performance Analysis. Colombia market pricing.	$20,724.37
Willis Towers Watson	August 28, 2020	Support in advance of August HR&C Committee meeting. Peer group analysis.	$34,685.26
Willis Towers Watson	June 17, 2020	Market insights on board of director compensation	$7,523.24
Lane Caputo	January 31, 2020	Analysis of compensation proposals, preparation of year-over-year comparisons, provision of historical peer group data. Creation of LTIP award table for staff, provision of market data for non-exec roles.	$3,854.38

Other Information Concerning Executive Compensation

Clawback Policy

The Board has made it a priority to oversee that appropriate checks and balances are in place to govern responsible and ethical behaviours amongst the Company's executive officers. All executive officers are required to annually confirm compliance with the Company's Code of Business Conduct.

At the recommendation of the HR&C Committee, the Board adopted an Executive Compensation Clawback Policy (the "**Clawback Policy**") on April 1, 2016 as amended on February 4, 2021, applicable to executive officers of the Company (the "**Clawback Executives**"), which Clawback Policy has been agreed to by each of the current Clawback Executives. If, in the opinion of the independent directors of the Board, a Clawback Executive engaged in willful misconduct, fraud, theft or embezzlement which had a detrimental effect on the Company and/or its subsidiaries, regardless of whether there was a restatement of all or part of the Company's financial statements or Parex' financial results are materially restated because of material non-compliance with any financial reporting requirements under laws, rules and regulations applicable to the Company and the Clawback Executives engaged in fraud or willful misconduct that caused or substantially caused the need for the restatement, the independent directors have the discretion to use such efforts as they deem necessary to remedy the willful misconduct, fraud, theft or embezzlement, as applicable, and prevent its recurrence. In the absence of admission by a Clawback Executive, the determination of whether a Clawback Executive engaged in willful misconduct, fraud, theft or embezzlement, as applicable, shall be made by the independent directors, acting reasonably and in good faith upon completion of an internal investigation.

When a Clawback Executive admits or the independent directors determine that a Clawback Executive engaged in willful misconduct, fraud, theft or embezzlement, as applicable. Parex' independent directors may direct that Parex recover all or a portion of any bonus or incentive compensation paid, or cancel all, or part of, the equity-based awards granted, to a Clawback Executive (such bonus, incentive, compensation and/or equity based awards being "**Incentive Compensation**"). In addition, the independent directors may also seek to recover any gains realized with respect to equity-based awards comprising the Incentive Compensation, including Options, RSUs, PSUs, Cash/Share Settled RSUs, Cash/Share Settled PSUs or other incentive payments made or required to be made by Parex under any discretionary, non-discretionary, targeted or other compensation plan of Parex, regardless of when issued or required to be issued at a future date.

The remedies that may be sought by the independent directors are subject to a number of conditions, including, that: (a) the Incentive Compensation to be recovered was based on the achievement of objective financial or other similar criteria or factors and was calculated based upon the financial results that were restated; (b) the Incentive Compensation calculated or to be calculated under the restated financial results is less than the amount actually paid or awarded or to be paid or awarded; and (c) no remedy, action or proceeding for the recovery of any Incentive Compensation from a Clawback Executive that is provided for in the policy may be commenced after a period of three years from the date such Clawback Executive ceases to be employed by the Company, for any reason.

Hedging Policies

Pursuant to the Company's Disclosure, Confidentiality, Insider Trading, Blackout Period and Anti-Hedging Policy and Procedures, directors, officers and employees of the Company shall not, knowingly sell, directly or indirectly, a security of the Company if such person selling such security does not own or have a right to own such security (i.e. a "short sale"). Additionally, under such policy, directors, officers and employees of the Company shall not, directly or indirectly, sell a "call option" or buy a "put option" in respect of a security of the Company or purchase or write any financial instruments, such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, or enter into any other derivative instruments or arrangements, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such director or officer, or employee that would have the effect of altering, directly or indirectly, the person's economic interest in the Company's equity securities.

Changes to Executive Compensation

The HR&C Committee retained Willis Towers Watson in August 2021 to conduct a review of and provide recommendations for executive compensation against the peer group of companies.

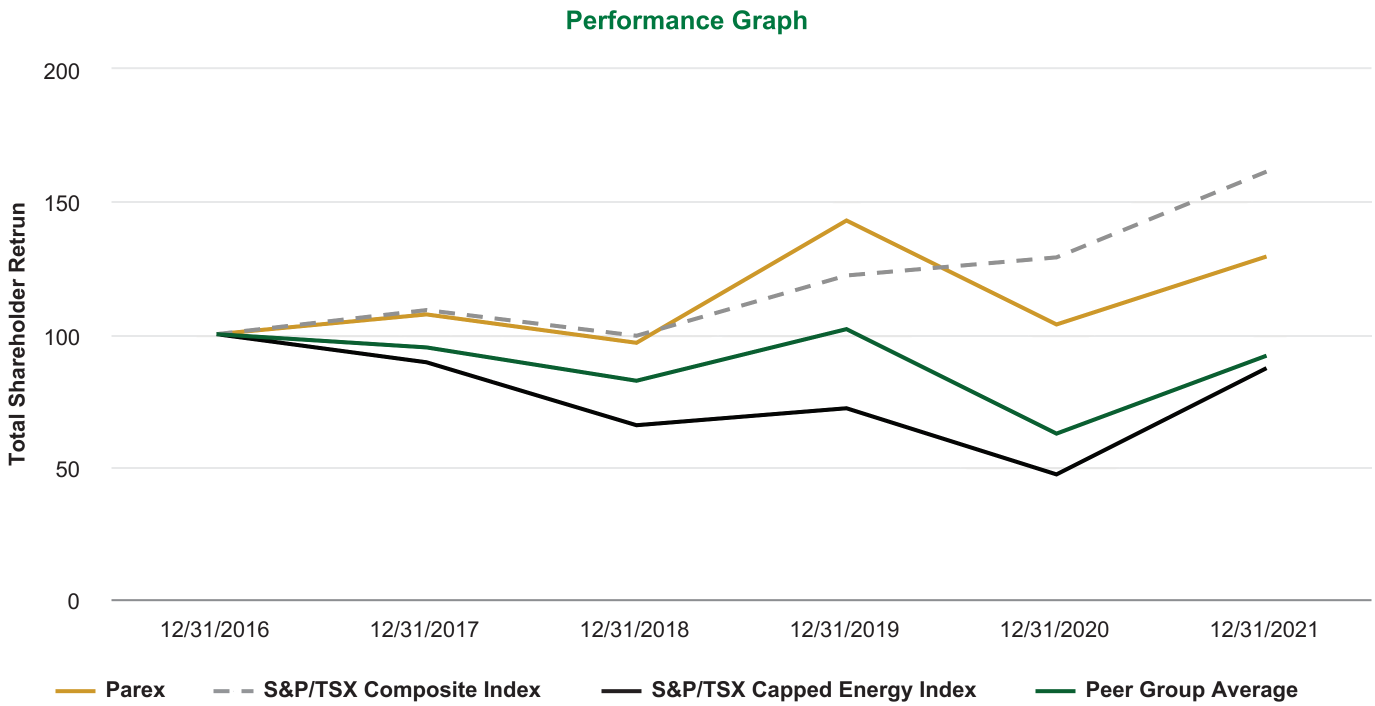
In February 2022, using the results of the Willis Towers Watson report, and in consideration of the prevailing market conditions, the HR&C Committee recommended, and the Board approved a 3% increase to non-CEO executive pay levels for 2022. The value of this adjustment was applied to base salaries to improve executive base salary positioning against peer benchmarks. This improved relative positioning on average to the 40th percentile of peers. Greater than 75% of non-CEO executive annual total direct compensation is at-risk.

Also, based on two independent market assessments, the HR&C Committee recommended, and the Board approved for 2022 an increase of $0.7 million to CEO compensation. This adjustment provides a total direct compensation package of $3.5 million to Mr. Mohsen, which recognizes both his performance since being named CEO in February 2022 as well as the complexity of the role and responsibilities he is accountable for. Over 80% of Mr. Mohsen’s annual total direct compensation is at-risk.

The HR&C Committee recommended and the Board approved 2022 annual long term incentive awards to executives and employees with a grant date of February 7, 2022. The grants to executives included Cash/Share Settled PSUs as well as Options and Cash/Share Settled RSUs. The 2022 annual Cash/Share Settled RSU and Cash/Share Settled PSU grants to executives and employees were awarded under the Cash/Share Settled RSU Plan. Cash/Share Settled PSUs represented 50% of the 2022 grant of long term incentives, continuing to reflect the intent to have a considerable portion of executive compensation consist of corporate performance based equity grants.

Performance Graph

The following graph shows the total cumulative shareholder return for $100 invested in the Common Shares of the Company, from the closing price on December 31, 2016 to December 31, 2021. The Company's total shareholder return is compared with the cumulative total return of the S&P/TSX Capped Energy Index and of the S&P/TSX Composite Index.



	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021
Parex Resources Inc.	100	107	97	143	104	129
S&P/TSX Composite Index	100	109	99	122	129	161
S&P/TSX Capped Energy Index	100	89	66	72	47	87
Peer Group Average	100	95	82	102	62	92

If $100 was invested in the Common Shares on December 31, 2016, it would have resulted in a cumulative shareholder return of 29% on December 31, 2021. In comparison, the same amount invested in the S&P/TSX Composite Index for the same period would have resulted in a cumulative shareholder return of 61%, and the same amount invested in the S&P/TSX Capped Energy Index would have resulted in a cumulative shareholder return of negative 13%.

From December 31, 2016 to December 31, 2021, the total compensation awarded to the three Parex NEO's who were NEOs for this full time period, as reported in the "*NEO Summary Compensation Table*" in this Information Circular, increased by 29%.

The increase in NEO total compensation has been largely due to the significant increase from 2016 to 2021 of the price of the Common Shares of the Company on the TSX, which reflected the Company's excellent performance and production per Common Share growth in such period. Thus, the increase in NEO total compensation is aligned with the increase in Shareholder value.

NEO total compensation is consistent with the benchmark set by the Board for compensation to target the 50th percentile of compensation for similar positions in the Company's peer comparator group of companies for satisfactory performance and results, and the 75th percentile for excellent performance and results.

NEO Profiles

Set forth below are the biographies of each Named Executive Officer, which provide an overview of each NEO's role, responsibilities, 2021 total compensation, comparison to 2020 compensation and 2021 target compensation mix.

Mr. Mohsen was appointed President and Chief Executive Officer of Parex on February 4, 2021. In this role, he is accountable for the Company's overall leadership, strategic vision, and delivery of Shareholder value.

Imad Mohsen

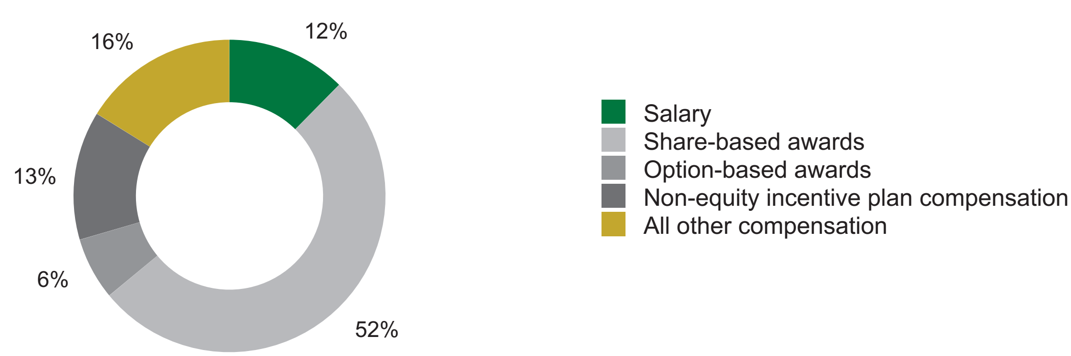
President & CEO

Mr. Mohsen was appointed President & Chief Executive Officer of Parex Resources on February 4, 2021. In this role, he is accountable for the Company's overall leadership, strategic vision, and delivery of shareholder value.

Prior to Parex, Mr. Mohsen held numerous senior leadership roles at private and public companies. At Royal Dutch, Mr. Mohsen was the Development Manager for their Subsea Gulf of Mexico assets from 2007 to 2011 and spent time in Cairo, Egypt as General Manager, Operations for Shell Egypt JV (Bapetco) from 2011 to 2013. In 2013, Mr. Mohsen joined Tulip Oil Holding B.V.("Tulip"), a private equity backed upstream company founded in 2010 to explore for and develop oil and gas opportunities in Western Europe. After initially serving as Chief Operating Officer, he was appointed Chief Executive Officer in 2015. Under his leadership Tulip had success with near field, short cycle time exploration and development of gas in the challenging environment of the Dutch North Sea. Tulip is now the 4th largest producer in the Netherlands offshore.

Compensation		2021		2020
Salary		504,167	$	—
Share-based awards		2,097,529		—
Option-based awards		263,299		—
Non-equity incentive plan compensation		541,979		—
All other compensation		657,755		—
Total	**$**	**4,064,729**	**$**	**—**

2021 Target Compensation Mix (%)



Notes:

(1) Share based awards reported for 2021 include both the new hire grant of Cash or Share Settled RSUs and the annual program grant of Cash or Share Settled RSUs and Cash or Share Settled PSUs; New hire grant value of $425,000 Cash or Share Settled RSUs and the annual program grant value of $675,381 Cash or Share Settled RSUs and $1,350,790 Cash or Share Settled PSUs

(2) Option based awards reported for 2021 include both the new hire grant of options and the annual program options; New hire grant value of $78,400 Options and the annual program grant value of $2,544,470 options.

Mr. Pinsky is the Chief Financial Officer and Corporate Secretary for Parex, a role that he has held since the Company's inception in 2009. In this role, Mr. Pinsky is responsible for managing the Company's financial and risk activities.

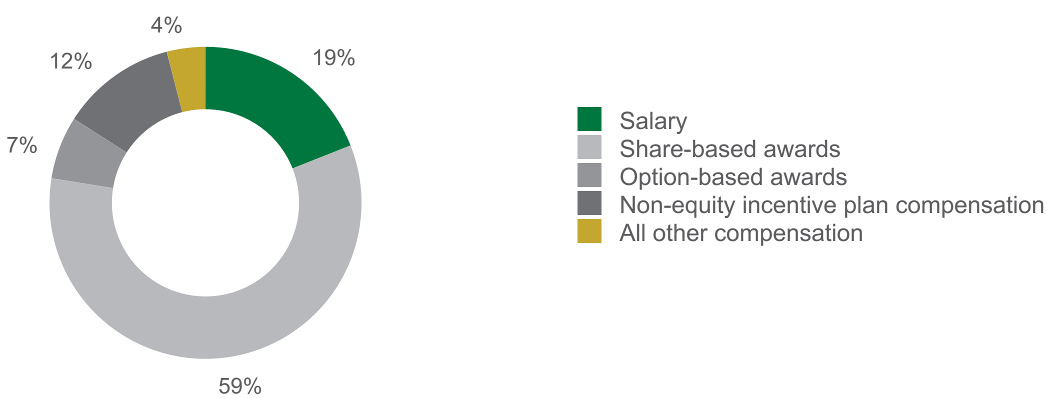
Kenneth Pinsky

Chief Financial Officer & Corporate Secretary

Currently the Chief Financial Officer and Corporate Secretary of Parex since the Company's inception. Prior to this role, Mr. Pinksy held numerous senior leadership roles including Vice President Finance, Chief Financial Officer and Corporate Secretary of Parex' predecessor company, Petro Andina Resources Inc. ("**PARI**"), a TSX listed oil and gas company focused in Latin America, from 2008 to 2009; Chief Financial Officer and director of a Canadian based private exploration and production company from 2004 to January 2008; and, and Chief Financial Officer of Ultima Energy Trust, a TSX listed Royalty Trust from 2001 to 2004. Mr. Pinsky is a Chartered Professional Accountant (CA) and a Chartered Financial Analyst (CFA).

Compensation		2021		2020
Salary		358,750	$	340,812
Share-based awards		1,104,065		1,018,062
Option-based awards		123,119		108,125
Non-equity incentive plan compensation		226,013		199,106
All other compensation		75,183		74,838
Total	**$**	**1,887,130**	**$**	**1,740,943**

2021 Target Compensation Mix (%)



Mr. Furlan is the Chief Operating Officer of Parex and has responsibility for the oversight of drilling, operations, production, reserves and development activities within the Company.

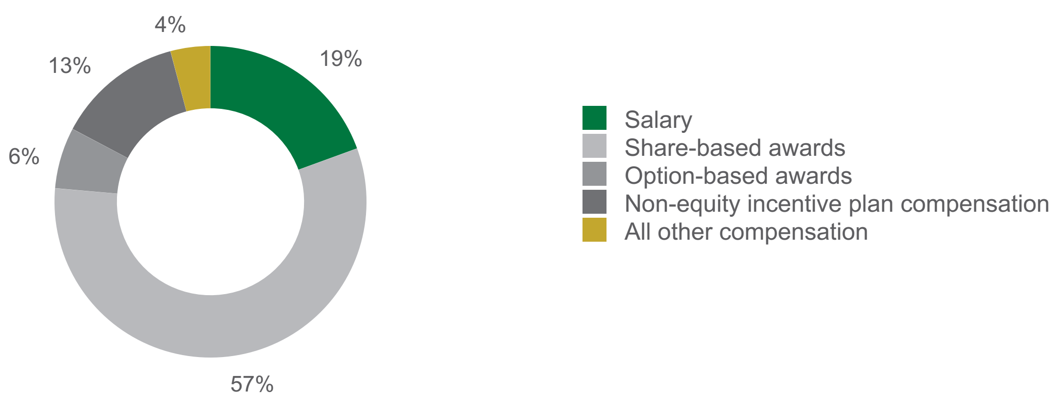
Eric Furlan

Chief Operating Officer

Mr. Furlan is currently the Chief Operating Officer of Parex. Prior to this role, Mr. Furlan was the Company's Senior Vice President of Engineering from 2017 to 2018 and Vice President of Engineering from 2012 to 2017. Mr. Furlan also served as the General Manager of Development at PARI. Prior to these roles, Mr. Furlan held leadership and senior technical positions with Chevron Corporation both in Canada and internationally. Mr. Furlan is a professional engineer with close to 30 years of experience.

Compensation		2021		2020
Salary	$	353,100	$	335,445
Share-based awards		1,033,831		949,304
Option-based awards		115,287		101,250
Non-equity incentive plan compensation		238,343		195,971
All other compensation		74,900		74,555
Total	**$**	**1,815,461**	**$**	**1,656,525**

2021 Target Compensation Mix (%)



Mr. Kruchten is the Senior Vice President of Capital Markets and Corporate Planning for Parex. In this role he is responsible for investor relations, enterprise risk management, financial forecasting, strategic planning and sustainability.

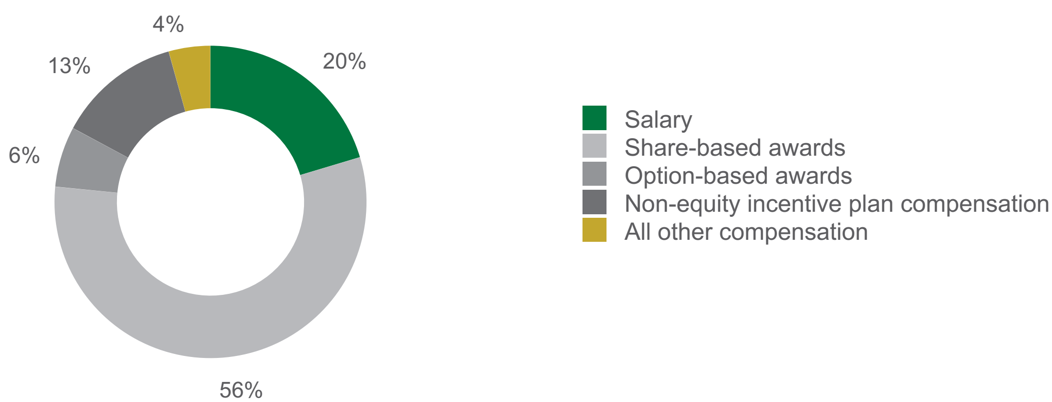
Mike Kruchten

Senior Vice President, Capital Markets & Corporate Planning

Currently Senior Vice President, Capital Markets & Corporate Planning. Mike Kruchten is responsible for investor relations, enterprise risk management, financial forecasting and strategic planning. Previously, Mr. Kruchten was Manager, Corporate Planning and Investor Relations of PARI from 2008 to 2009. Prior to joining PARI, he had several financial leadership roles with BP in Calgary, Aberdeen and Dubai, and began his career as a gas economist with Union Gas (Enbridge) in 1994.

Compensation		2021		2020
Salary	$	310,650	$	295,118
Share-based awards		856,332		794,044
Option-based awards		95,491		84,375
Non-equity incentive plan compensation		195,710		196,641
All other compensation		65,910		69,030
Total	**$**	**1,524,093**	**$**	**1,439,208**

2021 Target Compensation Mix (%)



Mr. Ferreiro is the President and Country Manager in Colombia for Parex. In this role, he is responsible for all in-country operations, with a focus on the safe execution of the Company's business plan and budget.

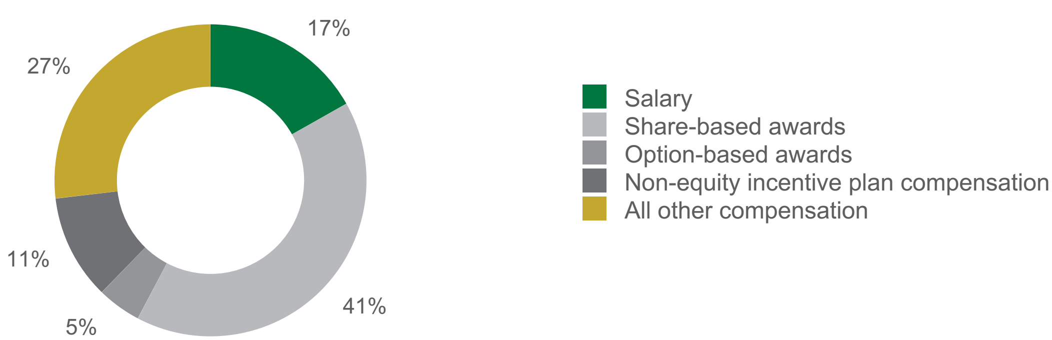
Daniel Ferreiro

President & Country Manger Parex Resources Colombia

Mr. Ferreiro is the President and Country Manager of Parex Resources Colombia and has the responsibility for the oversight of operations in Colombia, with focus on the execution of the Company's plan and budget. Mr. Ferreiro began his career in 1997 with Chauvco Resources and then Pioneer Natural Resources in Argentina moving from field positions in Neuquén Province to development and planning roles in the central office in Buenos Aires. Mr. Ferreiro joined PARI, in 2006 serving in different reservoir, production and operations leadership roles. As of 2010 Mr. Ferreiro has held the positions at Parex Colombia of Manager of Operations, Vice President of Operations and Senior Vice President of Operations as the Company grew production from 0 to 50,000 barrels of oil per day over 10 years and expanded its footprint across Colombia.

Compensation		2021		2020
Salary	$	300,000	$	300,000
Share-based awards		728,558		495,000
Option-based awards		81,246		66,192
Non-equity incentive plan compensation		193,500		177,300
All other compensation		478,600		858,133
Total	**$**	**1,781,904**	**$**	**1,896,625**

2021 Target Compensation Mix (%)



NEO Summary Compensation Table

The following table provides a summary of compensation information for the current and former CEOs and the CFO of the Company. and the three most highly compensated executive officers for the year ended December 31, 2021 whose total compensation was more than $150,000.

Name and Principal position	Year	Salary ($)(3)	Share- based awards($)(2)(4)(5)	Option- based awards ($)(6)	Non-equity incentive plan compensation ($)(1) Annual incentive plans(7)	All other compensation(8)(9) ($)	Total compensation(10) ($)
Imad Mohsen(11)(14)	2021	504,167	2,097,529	263,299	541,979	657,755	4,064,729
President and CEO							
Kenneth Pinsky	2019	350,000	970,313	108,503	217,875	56,900	1,703,591
Chief Financial Officer	2020	340,812	1,018,062	108,125	199,106	74,838	1,740,943
and Corporate Secretary	2021	358,750	1,104,065	123,119	226,013	75,183	1,887,130
Eric Furlan	2019	330,000	843,750	94,350	205,425	56,400	1,529,925
Chief Operating Officer	2020	335,445	949,304	101,250	195,971	74,555	1,656,525
	2021	353,100	1,033,831	115,287	238,343	74,900	1,815,461
Michael Kruchten	2019	285,000	703,125	78,625	187,673	49,650	1,304,073
SVP Capital Markets	2020	295,118	794,044	84,375	196,641	69,030	1,439,208
	2021	310,650	856,332	95,491	195,710	65,910	1,524,093
Daniel Ferreiro(12)	2019	265,000	379,200	45,710	153,038	523,584	1,366,532
President Parex Colombia	2020	300,000	495,000	66,192	177,300	858,133	1,896,625
	2021	300,000	728,558	81,246	193,500	478,600	1,781,904
David Taylor (13)	2019	445,000	1,620,000	181,152	415,519	56,900	2,718,571
Former President and CEO	2020	443,888	1,896,390	201,875	414,217	80,608	3,036,978
	2021	162,938	975,307	—	145,170	43,514	1,326,929

Notes:

(1) The Company did not provide long-term non-equity incentive plan or pension plan compensation in 2019, 2020 and 2021.

(2) As per the prescribed requirements for the NEO Summary Compensation Table, PSUs have been combined with RSUs as share-based awards for 2019. Although the grant date fair values are the same for PSUs and RSUs, the grant date fair value calculations are shown separately in Note (5) below for RSUs and PSUs. RSUs and PSUs are shown separately in tables that follow the NEO Summary Compensation Table in this Information Circular.

(3) The 2020 amounts in the above table reflect a voluntary 10% reduction to each of the NEO's salaries for the period from April 1, 2020 to September 30, 2020 in connection with the COVID-19 pandemic, excluding Mr. Ferreiro who was appointed President Parex Colombia effective December 1, 2020 in execution of the Company's succession plan. Mr. Taylor's salary for the year-ended December 31, 2020 was $467,250. Mr. Pinsky's salary for the year-ended December 31, 2020 was $358,750. Mr. Furlan's salary for the year-ended December 31, 2020 was $353,100. Mr. Kruchten's salary for the year-ended December 31, 2020 was $310,650.

(4) As per the prescribed requirements for the NEO Summary Compensation Table, Cash/Share Settled PSUs (CosPSUs) have been combined with Cash/Share Settled RSUs (CosRSUs) as share-based awards for 2020 and 2021. Although the grant date fair values are the same for Cash/Share Settled PSUs and Cash/Share Settled RSUs, the grant date fair value calculations are shown separately in Note (5) below for Cash/Share Settled RSUs and Cash/Share Settled PSUs. Cash/Share Settled RSUs and Cash/Share Settled PSUs are shown separately in tables that follow the NEO Summary Compensation Table in this Information Circular.

(5) The fair value of each Cash/Share Settled RSU and Cash/Share Settled PSU granted is based on the market price of the Common Shares on the date of issuance. It is the same methodology used by the Company to determine the accounting fair value of the Cash/Share Settled RSUs and Cash/Share Settled PSUs, in accordance with International Financial Reporting Standard 2 – Share Based Payments.

Grant Date	Grant date fair value per CosRSU	Grant date fair value per CosPSU
February 11, 2019	18.75	18.75
February 10, 2020	22.18	22.18
February 8, 2021	21.88	21.88

(6) The grant date fair value of option-based awards (Options) has been calculated using the Black-Scholes methodology, a commonly accepted methodology for valuing compensation among the Company's peer comparator group. It is the same methodology used by the Company to determine the accounting fair value of the Options, in accordance with International Financial Reporting Standard 2 – Share Based Payments. The following assumptions were used for calculating the grant date fair value of Option-based awards granted to the NEOs:

Assumptions	Option Grant Date February 11, 2019	Option Grant Date February 10, 2020	Option Grant Date February 8, 2021
Expected life of Options	4.0 years	4.0 years	4.0 years
Risk-free interest rate	1.80%	1.70%	0.37%
Expected volatility	39.97%	32.77%	46.40%
Expected dividend yield	0%	0%	0%
Grant date fair value per Option	$6.29	6.25	$7.84

(7) Incentive plan bonuses for 2019 were paid in February 2020, for 2020 were paid in February 2021, and for 2021 were paid in February 2022.

(8) All other compensation for Messrs. Mohsen, Pinsky, Furlan, Kruchten and Taylor includes the value of paid parking and benefits payments equal to 15% of the officer's base salary, capped at $50,000 per year and the Employee Share Purchase Program equal to 5% of the officer's base salary. All other cash compensation and perquisites for Mr. Ferreiro include benefits payments equal to 20% of his base salary, foreign service premium, goods and services allowance, location allowance, R&R Days, tax protection payments, dependent education costs, security cost, and housing costs related to his expatriate assignment in Colombia.
(9) In addition to the above, all other cash compensation and perquisites for Mr. Mohsen includes a one-time signing bonus of $350,000, on-hire LTI grants valued at $641,000 at the time of grant and relocation assistance of $118,622 related to his immigration and relocation to Calgary, as well as, an ongoing annual educational allowance of $75,000 with eligibility until 2025.
(10) Total compensation equals salary plus all other cash compensation and perquisites and the grant date fair value of option-based awards and share-based awards.
(11) Mr. Mohsen was appointed President and CEO of Parex effective February 4, 2021.
(12) Mr. Ferreiro was appointed President Parex Colombia effective December 1, 2020 in execution of the Company's succession plan.
(13) Mr. Taylor retired from his position as President and CEO effective February 4, 2021 and was retained as an advisor until May 4, 2021.
(14) Mr. Mohsen's total compensation, without one-time payments and on hire grants, for 2021 is equal to $2,905,280.

NEO Incentive Plan Awards

Outstanding Option-based and Share-based Awards (as at December 31, 2021)

	Option-Based Awards				
Name and Principal position	**Grant Date**	**Number of securities underlying unexercised Options**	**Options exercise price ($/common Share)**	**Option expiration date**	**Value of unexercised in-the-money Options ($)[1]**
Imad Mohsen President and CEO	8-Feb-2021	33,584	21.65	8-Feb-2026	—
Kenneth Pinsky	09-Mar-2017	55,000	16.02	09-Mar-2022	307,450
Chief Financial Officer and	07-Feb-2018	17,250	18.53	07-Feb-2023	53,130
Corporate Secretary	11-Feb-2019	17,250	18.75	11-Feb-2024	49,335
	10-Feb-2020	17,300	22.18	10-Feb-2025	—
	8-Feb-2021	15,704	21.65	8-Feb-2026	—
Eric Furlan	09-Mar-2017	—	16.02	09-Mar-2022	—
Chief Operating Officer	07-Feb-2018	15,000	18.53	07-Feb-2023	46,200
	11-Feb-2019	15,000	18.75	11-Feb-2024	42,900
	10-Feb-2020	16,200	22.18	10-Feb-2025	—
	8-Feb-2021	14,705	21.65	8-Feb-2026	—
Michael Kruchten	09-Mar-2017	—	16.02	09-Mar-2022	—
SVP Capital Markets	07-Feb-2018	—	18.53	07-Feb-2023	—
& Corp. Planning	11-Feb-2019	12,500	18.75	11-Feb-2024	35,750
	10-Feb-2020	13,500	22.18	10-Feb-2025	—
	8-Feb-2021	12,180	21.65	8-Feb-2026	—
Daniel Ferreiro	09-Mar-2017	40,000	16.02	09-Mar-2022	223,600
President Parex Colombia	07-Feb-2018	10,000	18.53	07-Feb-2023	30,800
	11-Feb-2019	7,000	18.75	11-Feb-2024	20,020
	10-Feb-2020	10,363	22.18	10-Feb-2025	—
	8-Feb-2021	10,3663	21.65	8-Feb-2026	—
David Taylor	09-Mar-2017	—	16.02	09-Mar-2022	—
Former President and CEO	07-Feb-2018	26,250	18.53	07-Feb-2023	80,850
	11-Feb-2019	28,800	18.75	11-Feb-2024	82,368
	10-Feb-2020	32,300	22.18	10-Feb-2025	—

Note:
(1) Based on the difference between the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 and the exercise price of the Options.

		Share-Based Awards					
		Number of Common Shares or units of Common Shares that have not vested (#)		Market or payout value of share-based awards that have not vested ($)(1)		Market or payout value of vested share-based awards not paid out or distributed ($)(2)	
Name(3)	Grant Date	RSUs	PSUs	RSUs	PSUs	RSUs	PSUs
Kenneth Pinsky	14-Nov-2016	—	—	—	—	—	—
	09-Mar-2017	—	—	—	—	—	—
	7-Feb-2018	—	—	—	—	324,000	—
Eric Furlan	14-Nov-2016	—	—	—	—	—	—
	09-Mar-2017	—	—	—	—	—	—
	7-Feb-2018	—	—	—	—	—	—
Michael Kruchten	14-Nov-2016	—	—	—	—	—	—
	09-Mar-2017	—	—	—	—	288,014	—
	07-Feb-2018	—	—	—	—	648,000	—
Daniel Ferreiro	14-Nov-2016	—	—	—	—	—	—
	09-Mar-2017	—	—	—	—	—	—
	7-Feb-2018	—	—	—	—	—	—
David Taylor	14-Nov-2016	—	—	—	—	—	—
	09-Mar-2017	—	—	—	—	—	—
	07-Feb-2018	—	—	—	—	372,600	—

Notes:
(1) Based on multiplying the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61, less $0.01 exercise price, by the number of Common Shares issuable pursuant to RSUs and PSUs that were not vested as at December 31, 2021.
(2) Based on multiplying the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61, less $0.01 exercise price, by the number of Common Shares issuable pursuant to RSUs and PSUs that were vested but not exercised as at December 31, 2021.
(3) Mr. Mohsen is not included in the table above as he was not employed with the Company at the time the plan was active.

		Share-Based Awards			
		Number of Common Shares or units of Common Shares that have not vested		Market or payout value of share-based awards that have not vested ($)(1)	
Name	Grant Date	CosRSUs	CosPSUs	CosRSUs	CosPSUs
Imad Mohsen	8-Feb-2021	45,346	50,519	979,927	1,091,723
Kenneth Pinsky	11-Feb-2019	5,884	35,302	127,148	762,886
	10-Feb-2020	10,437	31,312	225,549	676,647
	8-Feb-2021	16,820	33,640	363,488	726,953
Eric Furlan	11-Feb-2019	5,116	30,698	110,557	663,379
	10-Feb-2020	9,756	29,163	210,827	630,210
	8-Feb-2021	15,750	31,500	340,358	680,716
Michael Kruchten	11-Feb-2019	4,265	25,582	92,167	552,816
	10-Feb-2020	8,119	24,456	175,452	528,494
	8-Feb-2021	13,046	26,092	281,924	563,848
Daniel Ferreiro	11-Feb-2019	6,823	N/A	147,445	N/A
	10-Feb-2020	18,009	N/A	389,174	N/A
	8-Feb-2021	11,099	22,199	239,849	479,720
David Taylor	11-Feb-2019	9,823	58,940	212,275	1,273,693
	10-Feb-2020	19,511	58,223	421,633	1,258,199
	8-Feb-2021	22,288	22,288	481,644	481,644

Note:
(1) Based on multiplying the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 by the number of Cash/Share Settled RSUs and Cash/Share Settled PSUs that were not vested as at December 31, 2021.
(2) Mr. Ferreiro did not receive 2019 and 2020 CosPSU grants as he was not appointed President Parex Colombia until December 1, 2020.

The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended December 31, 2021 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2021.

Name	Option-based awards – Value vested during the year[1] ($)	Share-based awards Value vested during the year ($)				Non-equity incentive plan compensation – Value earned during the year[4] ($)
		RSUs[2]	PSUs[2]	CosRSUs[3]	CosPSUs[3]	
Imad Mohsen	N/A	N/A	N/A	N/A	N/A	541,979
Kenneth Pinsky	33,638	125,753	1,486,395	233,113	—	226,013
Eric Furlan	29,250	109,350	1,292,517	209,911	—	238,343
Michael Kruchten	24,378	91,154	1,077,098	174,788	—	195,710
Daniel Ferreiro	17,001	218,700	N/A	333,053	—	193,500
David Taylor	53,313	191,363	2,261,905	411,343	—	145,170

Notes:
(1) Based on multiplying the difference between the closing price of the Common Shares on the TSX on the vesting date and the exercise price of the Options on the vesting date by the number of Options that vest on such date.
(2) Based on multiplying the closing price of the Common Shares on the TSX on the vesting date, less the $0.01 exercise price, by the number of RSUs and PSUs that vest on such date.
(3) Based on multiplying the closing price of the Common Shares on the TSX on the vesting date by the number of Cash/Share Settled RSUs and Cash/Share Settled PSUs that vest on such date.
(4) Incentive plan bonuses for 2021 were paid in February 2022.

Securities Authorized for Issuance Under Equity Compensation Plans

The Option Plan is the Company's only compensation plan under which equity securities have been authorized for issuance going forward. The following sets forth information in respect of securities authorized for issuance under the Company's Option Plan as at December 31, 2021. Parex did not seek the requisite three-year approval under TSX policies of unallocated RSUs and PSUs under the RSU Plan. While no new awards will be made under the RSU Plan, it will remain in place until such time as all outstanding RSUs and PSUs issued under it have been exercised, are cancelled or expired by their terms which is expected to occur in 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, RSUs, PSUs, warrants and rights[4] (a)	Weighted average exercise price of outstanding Options, RSUs, PSUs, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[1][3]
Equity compensation plans approved by security holders			
Option Plan[2]	995,132	19.36	See Note 3
Equity compensation plans not approved by security holders	—	—	-
RSU/PSU Plan	338,916	0.01	See Note 3
Total	**995,132**	**—**	**4,679,235**

Notes:
(1) As at December 31, 2021, the Option Plan provided for the issuance of Options to a maximum of 5% of the issued and outstanding Common Shares of the Company, provided that the maximum number of Common Shares issuable pursuant to outstanding Options and all other security based compensation arrangements (as defined in the TSX Company Manual) shall not exceed 5% of the Common Shares outstanding from time to time.
(2) Of the 995,132 outstanding Options as of December 31, 2021, 590,432 were in-the-money as of that date, based on the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61.
(3) The total number of securities remaining available for future issuance under equity compensation plans as at December 31, 2021 was equal to 5% of the number of Common Shares outstanding as at December 31, 2020 less the number of Options outstanding under the Option Plan as at December 31, 2021 and less the number of RSUs and PSUs outstanding under the RSU Plan as at December 31, 2021. As at December 31, 2021, there were 995,132 Options outstanding, and 338,916 RSUs and PSUs outstanding, leaving 4,679,235 Common Shares available for issuance under the Option Plan. The total number of securities remaining available for future issuance under equity compensation plans as at March 25, 2022 was equal to 5% of the number of Common Shares outstanding as at March 25, 2022 less the number of Options outstanding under the Option Plan as at March 25, 2022 and less the number of RSUs and PSUs outstanding under the RSU Plan as at March 25, 2022. As at March 25, 2022, there were 809,354 Options outstanding, and 139,840 RSUs and PSUs outstanding, leaving 4,915,124 Common Shares available for issuance under the Option Plan.
(4) During the year ended December 31, 2021, 1,153,117 Common Shares were issued on exercise of Options, 680,943 Common Shares were issued on exercise of RSUs and 427,490 Common Shares were issued on exercise of PSUs.

Burn Rate

The following table sets forth the annual burn rate for each of the three most recently completed fiscal years for each of the Company's incentive plans requiring settlement by treasury issuances of Common Shares. The burn rate has been calculated by dividing the number of awards granted under the arrangement during the applicable fiscal year, by the weighted average number of Common Shares outstanding for the applicable fiscal year:

Plans	2019[2]		2020[3]		2021[4]	
	Number Granted	*Burn Rate*	*Number Granted*	*Burn Rate*	*Number Granted*	*Burn Rate*
Options	228,300	0.16%	265,788	0.19%	197,470	0.16%
RSUs	—	—%	—	N/A	—	N/A
PSUs[5]	—	—%	—	N/A	—	N/A
Total	**228,300**	**0.16%**	**265,788**	**0.19%**	**197,470**	**0.16%**

Notes:
(1) Numbers do not add precisely due to rounding.
(2) The weighted average number of Common Shares outstanding for December 31, 2019 is 146,380,050 Common Shares.
(3) The weighted average number of Common Shares outstanding for December 31, 2020 is 138,356,322 Common Shares.
(4) The weighted average number of Common Shares outstanding for December 31, 2021 is 125,210,014 Common Shares.
(5) Assuming a payout multiplier of one.

Value Realized From Equity Exercises During the Year

	Imad Mohsen	Kenneth Pinsky	Eric Furlan	Michael Kruchten	Daniel Ferreiro	Dave Taylor
Options						
Securities acquired on exercise	N/A	80,000	84,000	40,585	10,000	165,000
Aggregated value realized ($)	N/A	483,675	530,450	233,882	63,100	983,845
Number of resulting shares held	N/A	—	—	—	—	—
Number of resulting shares sold	N/A	80,000	84,000	40,585	10,000	165,000
PSUs						
Securities acquired on exercise	N/A	67,965	59,100	49,250	N/A	103,425
Aggregated value realized ($)	N/A	1,526,851	1,329,966	1,106,185	N/A	2,326,030
Number of resulting shares held	N/A	67,965	—	—	N/A	—
Number of resulting shares sold	N/A	—	59,100	49,250	N/A	103,425
RSUs						
Securities acquired on exercise	N/A	72,000	45,000	27,502	—	119,250
Aggregated value realized ($)	N/A	1,635,173	987,000	625,384	—	2,562,332
Number of resulting shares held	N/A	—	—	—	—	—
Number of resulting shares sold	N/A	72,000	45,000	27,502	—	119,250

Note:
(1) There were no Cash/Share Settled PSUs or Cash/Share Settled RSUs settled in Shares purchased on the TSX during the year- ended December 31, 2021. All of the Cash/Share Settled PSUs or Cash/Share Settled RSUs held by NEOs which vested during the year-ended December 31, 2021 were settled in cash.

Three Year NEO Compensation Versus Financial Measures

	2019[(1)]	2020[(1)]	2021[(1)]
Total NEO Compensation ($ millions)	8.62	9.77	12.40
Funds Flow From Operations ($ millions)[(2)]	741.45	378.19	732.21
NEO Compensation as % of Funds Flow From Operations	1%	3%	2%
Enterprise Value ($ millions)[(2)(3)]	2,945	1,872	2,119
NEO Compensation as % of Enterprise Value	0.3%	0.5%	0.6%
Annual Shareholder Return	48%	(27)%	23%
FX Rate USD-CAD at December 31	1.2997	1.2732	1.2678

Notes:
(1) Includes the former President and CEO, Mr. Dave Taylor's compensation.
(2) Components in the calculation of Funds Flow From Operations and Enterprise Value were converted from USD to CAD using the closing foreign exchange rate of 1.2997 for December 31, 2019, 1.2732 for December 31, 2020 and 1.2678 for December 31, 2021.
(3) Enterprise value is a "Supplementary financial measure," which is not a standardized financial measure under IFRS and might not be comparable to similar financial measures disclosed by other issuers. See "Advisories -Non-GAAP and Other Financial Measures Advisory."

Termination and Change of Control Benefits and Payments

The Company recognizes that its Executives are critical to Parex' ongoing business. It is therefore vital for the Company to retain the services of each Executive, support them in the event of employment interruption caused by a change in control of the Company, and to treat them in a fair and equitable manner. The Company has an employment agreement (the "**Employment Agreements**") with each of Mr. Mohsen, Mr. Pinsky, Mr. Furlan, Mr. Kruchten and Mr. Ferreiro. In addition, the Company had entered into an employment agreement with Mr. Taylor. Such agreement terminated on February 4, 2021 when he retired from his role of President and CEO.

The Employment Agreements provide for payment of compensation in the event of termination of the Executive's employment by the Company without cause, upon resignation of employment by the Executive for reason of constructive dismissal, upon resignation of employment by the Executive for good reason in the event of a change of control of the Company, or for Messrs. Pinsky, Furlan, and Kruchten upon resignation of employment by the Executive in the event of a triggering change of control of the Company, as shown in the chart below.

Termination without cause refers to termination of the Executive's employment by the Company for reasons other than for just cause, mutual agreement or the death of the Executive.

For Messrs. Mohsen, Pinsky, Furlan, Kruchten and Ferreiro a change of control includes, but is not limited to, any acquisition of Common Shares or other securities of the Company that carry the right to cast more than 50% of the votes attaching to all Common Shares in the capital of the Company, the sale, lease or other disposition of all or substantially all of the assets of the Company to a third party, the liquidation or dissolution of the Company and the Company ceasing to be publicly traded on a recognized exchange. For Messrs. Pinsky, Furlan, and Kruchten, a triggering change of control is a change of control that results from an unsolicited offer in response to which the Board publishes a circular recommending rejection of the offer and continues to recommend rejection of the offer up to the closing date of such transaction.

Resignation for reason of constructive dismissal refers to the resignation of employment by the Executive due to circumstances constituting constructive dismissal at common law, including any material reduction in benefits or remuneration paid by the Company to the Executive, or an adverse change in the Executive's position, duties, responsibilities, title or office.

Termination Event	Name	Incremental Compensation
Termination Without Cause	Imad Mohsen Kenneth Pinsky Eric Furlan Michael Kruchten Daniel Ferreiro	Retiring allowance equal to two (2) times (for Mr. Mohsen 1.5 times should employment terminate within 18 months from February 4, 2021 and thereafter two (2) times) the sum of: (i) the Executive's annual base salary; plus (ii) the average of any cash bonuses paid in the two years preceding the termination date; plus (iii) an amount equal to the lesser of fifteen percent of the Executive's annual base salary or $50,000 to compensate for loss of benefits.
Change of Control and Good Reason	Imad Mohsen Kenneth Pinsky Eric Furlan Michael Kruchten Daniel Ferreiro	All applicable incremental payments for Messrs. Mohsen, Pinsky, Furlan, Kruchten and Ferreiro are calculated as specified above for termination without cause.
Triggering Change of Control	Kenneth Pinsky Eric Furlan Michael Kruchten	All applicable incremental payments for Messrs. Pinsky, Furlan, and Kruchten are calculated as specified above for termination without cause.
Resignation For Reason of Constructive Dismissal	Imad Mohsen Kenneth Pinsky Eric Furlan Michael Kruchten Daniel Ferreiro	All applicable incremental payments for Messrs. Mohsen, Pinsky, Furlan, Kruchten and Ferreiro are calculated as specified above for termination without cause.

Under the Employment Agreements in the event of a change of control or for Messrs. Pinsky, Furlan and Kruchten a triggering change of control, the Executive, at the Company's request, agrees to remain employed by the Company for up to two months following the change of control to assist with the orderly transition of management.

The Company has attempted to remain abreast of trends in employment law, such that changes in the Employment Agreements and employment contracts, which are made from time to time, reflect what the Company believes to be competitive terms, as at the time of each Executive's hiring.

In exchange for payments received upon termination of employment, the Executive agrees to sign and provide to the Company a full and final release (releasing the Company and its affiliates) in a form that is satisfactory to the Company.

The table below discloses the estimated incremental payments, payables and benefits to our Executives that are triggered by or result from termination without cause, resignation for good reason, change of control or triggering change of control effective December 31, 2021.

Estimated Incremental Compensation on Termination Without Cause, Resignation by Reason of Constructive Dismissal, Upon a Change of Control with Good Reason (based on hypothetical termination as at December 31, 2021)

	Compensation Components									
Name	Severance Period (months)	2X Annual Base Salary ($)	2X Average of Last 2 Incentive Bonus Payments(1) ($)	2X Annual Benefits ($)	Options (2) ($)	RSUs(3) ($)	PSUs(3) ($)	CosRSUs(4) ($)	CosPSUs(4) ($)	Total ($)
Imad Mohsen	24	1,100,000	541,979	100,000	—	nil	nil	272,202	303,256	2,317,437
Kenneth Pinsky	24	717,500	425,119	100,000	393,470	372,600	nil	2,445,327	1,213,585	5,667,601
Eric Furlan	24	706,200	434,314	100,000	74,800	324,000	nil	2,254,247	1,092,021	4,985,582
Michael Kruchten	24	621,300	392,351	93,195	23,830	nil	nil	1,877,237	910,913	3,918,825
Daniel Ferreiro	24	600,000	370,800	120,000	267,745	936,014	nil	3,486,948	133,256	5,914,762

Notes:

(1) The annual incentive plan bonuses for 2021 were not paid until February 2022, as previously disclosed in Note (7) to the NEO Summary Compensation Table. However, the 2021 bonus amounts are included in the incentive bonus calculations for the above table based on the assumption that they would have been included in the NEOs incremental compensation should there have been a termination on December 31, 2021 due to termination without cause, resignation for good reason or upon a change of control.

(2) Pursuant to the Option Plan, if the Executive's employment is terminated by the Company with or without cause, or the Executive elects to terminate his employment, the Executive may exercise any Options that were vested by the date of termination of employment for up to ninety (90) days following that date or the expiration date of the Options, whichever occurs first. All other Options would be terminated.

(3) Pursuant to the RSU Plan, if the Executive's employment is terminated by the Company with or without cause, or the Executive elects to terminate his employment, any Common Shares corresponding to any remaining vested grant of RSUs or PSUs shall be delivered to the Executive upon payment by the Executive of the exercise price of $0.01 per RSU and PSU and in any case shall be delivered to the former Participant or his authorized legal representative, as applicable, by no later than 90 days from the Forfeiture Date (as defined in the RSU Plan) (and whether or not a notice of exercise or payment of the exercise price has been received by the Company). In addition, if the Executive's employment is terminated by the Company without cause, then a pro rata portion of the unvested RSUs and PSUs shall be deemed to have vested immediately prior to the Forfeiture Date, which pro rata portion of unvested RSUs will be calculated as set forth in Appendix "C". All other RSUs and PSUs would be terminated.

(4) Pursuant to the Cash/Share Settled RSU Plan, if the Executive's employment is terminated by the Company with or without cause, or the Executive elects to terminate his employment, any Common Shares corresponding to any remaining vested grant of Cash/Share Settled RSUs or Cash/Share Settled PSUs shall be delivered to the Executive as soon as practicable. In addition, if the Executive's employment is terminated by the Company without cause, then a pro rata portion of the unvested CosRSUs and CosPSUs shall be deemed to have vested immediately prior to the Forfeiture Date, which pro rata portion of unvested RSUs will be calculated as set forth under "Director Compensation – Cash/Share Settled RSU Plan". All other Cash/Share Settled RSUs and Cash/Share Settled PSUs would be terminated.

Estimated Incremental Compensation Upon a Triggering Change of Control (based on hypothetical change of control as at December 31, 2021)

	Compensation Components					
Name	Options(1) ($)	RSUs(2) ($)	PSUs(2) ($)	CosRSUs(3) ($)	CosPSUs(3) ($)	Total ($)
Imad Mohsen	—	—	—	979,927	1,091,723	2,071,650
Kenneth Pinsky	409,915	372,600	—	716,184	2,166,487	3,665,186
Eric Furlan	89,100	324,000	—	661,741	1,974,306	3,049,147
Michael Kruchten	35,750	—	—	549,542	1,645,158	2,230,450
Daniel Ferreiro	328,565	936,014	—	776,469	479,720	2,520,768

Notes:

(1) In accordance with the Option Plan, in the event of a change in control of the Company, all unvested Options for each Executive shall vest and all issued and outstanding Options will immediately be exercisable for up to 30 days after the occurrence of such change of control, or at such earlier time as may be established by the Board. Based on a hypothetical change of control as at December 31, 2021 and based on the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61.

(2) The RSU Plan also provides for accelerated vesting of RSUs and PSUs upon a Change of Control (as defined in the RSU Plan) as described under "*Description of the RSU Plan – Change of Control*" in Appendix "C". Based on a hypothetical change of control as at December 31, 2021 and based on the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 and assuming a PSU payout multiplier approved by the Board of 1.0.

(3) Pursuant to the Cash/Share Settled RSU Plan, the Cash/Share Settled RSU Plan also provides for accelerated vesting of CosRSUs and CosPSUs upon a Change of Control (as defined in the Cash/Share Settled RSU Plan) as described under "Director Compensation – Cash/Share Settled RSU Plan". Based on a hypothetical change of control as at December 31, 2021 and based on the closing price of the Common Shares on the TSX on December 31, 2021 of $21.61 and PSU payout multiplier approved by the Board of 1.0.

Other Disclosure

Indebtedness of Directors and Senior Officers

As at the date hereof there is no indebtedness outstanding by directors, executive officers or former directors and executive officers of the Company to the Company or its subsidiaries and there has been no such indebtedness at any time since incorporation.

Interest of Certain Persons and Companies in Matters to be Acted Upon

Management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of the Company's last financial year, any proposed nominee for election as a director of the Company or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting, other than the election of directors or the appointment of auditors or as disclosed herein.

Interest of Informed Persons in Material Transactions

There are no material interests, direct or indirect, of any informed person of the Company (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), any proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, other than as disclosed herein.

Additional information

Additional information respecting the Company is available on SEDAR at www.sedar.com. Financial information respecting the Company is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year. Shareholders can access this information on the Company's profile on SEDAR at www.sedar.com or by request to the Chief Financial Officer of the Company at 2700 Eighth Avenue Place, West Tower, 585 – 8th Avenue S.W., Calgary, Alberta T2P 1G1 or Fax (403) 265-8216. The Board of Directors can be contacted at BoardofDirectors@parexresources.com.

Appendix "A"
Mandate of the Board of Directors

1. Purpose of the Mandate of the Board of Directors

a) The purpose of this Mandate is to assist the Board of Directors (the "**Board**") in the exercise of its duties. By virtue of approving this Mandate, the Board affirms its ongoing responsibility for the stewardship of Parex Resources Inc. (the "**Corporation**").

b) The Board wishes to emphasize that the substance of good corporate governance is more important than its form; adoption of a set of guidelines and principles or any particular practice or policy is not a substitute for, and does not itself assure, good corporate governance.

2. Purpose of the Board of Directors

a) The primary responsibility of the Board is to foster the long-term success of the Corporation.

b) In overseeing the conduct of the business of the Corporation, the Board, through the Chief Executive Officer ("**CEO**"), shall set the standards of conduct for the Corporation.

3. General Legal Obligations of the Board

a) The *Business Corporations Act* (Alberta) identifies the following as legal requirements for the Board:

   1) To manage or supervise the business and affairs of the Corporation.

   2) To act honestly and in good faith with a view to the best interests of the Corporation.

   3) To exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

b) The Board has the responsibility to oversee the conduct of the business of the Corporation and to oversee management of the Corporation ("**Management**") which is responsible for the day-to-day conduct of business. In performing its functions, the Board also considers the legitimate interests which other stakeholders such as shareholders, employees, regulators, surface rights owners, indigenous persons, industry associations, suppliers, customers and communities may have in the Corporation.

c) The Board is responsible for directing Management to ensure that legal requirements have been met, and that documents and records have been properly prepared, approved and maintained.

4. Procedures and Organization

The Board operates by delegating certain of its authorities, including spending authorizations, to Management and by reserving certain powers to itself. The current spending authorizations have been put in place by the Board through passage of a resolution delegating authority to the CEO and Management (referred to as the "**Authority Grid**").

a) The Board retains the responsibility for managing its own affairs including:

   1) Appoint a Chair of the Board who is not a member of Management and is otherwise "independent" pursuant to securities policies or, failing that, ensuring that an independent "lead director" is appointed.

   2) Selecting the Chair for each meeting of the Board, or an acting Chair, if the Chair is absent from the meeting.

   3) Recruiting strong independent directors.

   4) Nominating candidates for election to the Board.

   5) Review annually director compensation.

b) Subject to the Articles of the Corporation and the *Business Corporations Act* (Alberta), the Board may constitute, seek the advice or recommendations of and delegate powers, duties and responsibilities to Board committees.

5. Expectations of Management

a) The Board expects Management to work diligently towards enhancing the Corporation's performance by ensuring that existing operations are managed prudently and that new business development opportunities are sought.

b) The Board expects Management to provide the Board with all pertinent information regarding the operations and corporate development activities of the Corporation in order for the Board to properly assess whether the Corporation's goals are being met. Management is expected to provide as much information as is required or requested so that the Board can participate actively in important discussions on the Corporation's future, strategic planning and performance assessments. The Board expects Management to be completely forthcoming with respect to its assessment of opportunities and performance to allow the Board to make reasoned decisions.

6. Board Size

a) The Board shall consist of such number of directors within the range set forth in the Corporation's articles of incorporation as the Board deems appropriate in order to facilitate effective decision-making. The Board delegates to the Corporate Governance and Nominating Committee the responsibility of considering and making recommendations to the Board with respect to the appropriate Board size.

b) Members of the Board should offer their resignation from the Board to the Chairman of the Board following:

1) Change in personal circumstances which would reasonably interfere with the ability to serve as a director.

2) Change in personal circumstances which would reasonably reflect poorly on the Corporation (for example, conviction under the *Criminal Code* or securities legislation).

3) If applicable, in accordance with the Corporation's majority voting policy, should a board member receive a greater number of votes "withheld" from his or her election than votes "for" his or her election.

7. Independence

a) The Board must develop and voice objective judgment on corporate affairs, independently of Management. Practices promoting Board independence will be pursued. This includes constituting the Board with a majority of independent directors (as defined in Section 1.4 of National Instrument 52-110 – *Audit Committees* (as amended or replaced from time to time) of the Canadian Securities Administrators). Certain tasks suited to independent judgments will be delegated to specialized Board committees that are comprised of a majority or entirely of independent directors. The Board will develop broad standards to determine whether directors are independent and will conduct, on at least an annual basis, a determination of the independence of each of its members. The Board will disclose both the standards and the annual determinations as required by law.

b) Any director who is not independent or whose circumstances change such that he or she might be considered to be no longer independent shall promptly advise the Board of the change in circumstances.

8. Performance

The Board will evaluate its own performance in a continuing effort to improve. For this purpose, the Board will establish criteria for Board and Board member performance, and pursue a self-evaluation process for evaluating overall Board performance.

9. Nomination

a) The Board shall, prior to nominating any directors on behalf of the Corporation:

1) Consider what competencies and skills the Board, as a whole, should possess; and

2) Assess what competencies and skills each existing director possesses.

In carrying out these functions, the Board shall consider the advice and input of the Corporate Governance and Nominating Committee.

10. Duties and Responsibilities

In keeping with generally accepted corporate governance practices and, as part of the overall stewardship responsibility, the Board explicitly assumes responsibility for the following:

a) Selection of Management & Succession Planning

The Board has the responsibility to:

1) Appoint and replace the CEO, to monitor CEO performance, to approve CEO compensation and to provide advice and counsel to the CEO in the execution of the CEO's duties.

2) Be responsible for plans being made for Management succession and development, including in respect of the CEO.

3) Assess and approve the entering into of agreements (which shall include non-competition and non-solicitation covenants and the consequences of breaching such covenants) with the Corporation respecting the retirement from any employment with the Corporation or a subsidiary by a director or officer of the Corporation or a subsidiary.

b) Oversight of Management

The Board has the responsibility to:

1) Assess each officer's contribution to the implementation and achievement of the Corporation's strategic plan measured by performance against objectives established by the Board.

2) Establish a formal process for determining officers' compensation, in part, by using established criteria and objectives for measuring performance.

3) Acting upon the advice of the CEO, and the recommendation of the Corporate Governance and Nominating Committee, the Board has the responsibility to approve the appointment and remuneration of all officers.

c) Strategic Operating and Capital Plans

While the leadership for the strategic planning process comes from the Management of the Corporation, the Board shall bring objectivity and a breadth of judgment to the strategic planning process and will ultimately approve the strategy developed by Management as it evolves.

The Board has the responsibility to:

1) Oversee the development and approval of the mission of the Corporation.

2) Review, with Management, and approve the strategic plan for the Corporation and update such strategic plan at least annually.

3) Approve the annual operating and capital plans and budgets and review status of these plans and budgets at least quarterly including:
    - Capital spending;
    - Funds flow and working capital;
    - Operating and transportation cost; and
    - Production.

4) Approve the establishment of credit facilities and borrowings.

5) Approve issuances of additional shares or other securities.

6) Approve the repurchase of common shares in accordance with applicable securities laws.

7) Consider ESG (as defined below)-related issues, including as identified by Board committees, ESG Steering Committee and Management when reviewing and approving the Corporation's strategic plan, annual operating and capital plans and budgets, acquisition and divestiture activities, investor relations activities and general corporate strategy.

8) Be responsible for Management ensuring it has identified the principal risks of the Corporation's business and has taken reasonable steps to ensure that Management has implemented appropriate systems to effectively monitor and manage these risks with a view to the long-term viability of the Corporation and its assets, and that it conduct an annual review of the associated risks.

9) Be responsible for congruence between the strategic plan, stakeholder expectations and Management's performance.

10) Delegate to the appropriate Board committee the responsibility to review and assess the identification and management of Enterprise Risk Management matters pertaining to the applicable committee.

d) Environmental, Social and Governance

The Board has the responsibility to:

1) In collaboration with the Board committees, the ESG Steering Committee and Management, establish procedures and processes to identify, manage, measure and assess risks and opportunities related to climate change, environmental and social factors relevant to the Corporation and the conduct of its business in a safe, socially responsible, ethical and transparent manner for the benefit of all stakeholders and the communities in which it operates, including physical and transition climate related risks, plausible future climate related macro scenarios, land and water use, human capital management, employee engagement, diversity and inclusion and health and safety ("**E&S**").

2) In collaboration with the Board committees, the ESG Steering Committee and Management, establish E&S governance policies, procedures and practices for the Corporation (such governance factors, together with E&S, being referred to as "**ESG**").

3) Review with Management on a regular basis ESG-related issues, risks and opportunities relevant to the Corporation's business, strategy and risk management processes and be responsible for assigning ESG-related responsibilities to Management, Board committees and the ESG Steering Committee, as applicable.

4) In collaboration with the Board committees, the ESG Steering Committee and Management, determine the reporting structure within the Corporation for ESG matters, and review and monitor the effectiveness of the reporting structure on a regular basis.

5) Together with the Board committees, the ESG Steering Committee and Management, review and assess the Corporation's performance against ESG metrics, targets, benchmarks and goals established by the Corporation from time to time.

6) Regularly review the Corporation's public disclosure and reporting and external communication practices pertaining to ESG issues, including the use of reporting frameworks and standards and assessments of materiality.

7) Review and approve the Corporation's annual ESG report and other ESG related public disclosure documents.

e) New Business Development and Exploration

The Board has the responsibility to:

1) Review proposed material acquisitions and divestments, including a review of the technical due diligence conducted, and be satisfied that the Corporation has in place an adequate process to review all material acquisitions and divestments.

2) Review at least annually, the Corporation's property portfolio management strategy and complete a quarterly review of any major projects, as applicable.

3) Review the Corporation's exploration plans, results versus expectations and material exploration efforts.

f) Policies and Procedures

The Board has the responsibility to:

1) Approve and monitor compliance with all significant policies and procedures which govern the Corporation's operations.

2) Direct Management to implement systems which are designed to ensure that the Corporation operates at all times within applicable laws and regulations.

g) Monitoring and Acting

The Board has the responsibility to:

1) Monitor the Corporation's progress towards its goals and objectives, and to revise and alter its direction through Management in light of changing circumstances.

2) Approve the Corporation's payment of dividends.

3) Direct Management to ensure systems are in place for the implementation and integrity of the Corporation's internal control and management information systems.

4) Be responsible for having an audit process in place for the Corporation, which can inform the Board of the integrity of the financial data and compliance of the financial information with generally accepted accounting principles.

5) Implement adequate measures for receiving feedback from the Corporation's stakeholders.

h) **Compliance Reporting and Corporate Communications**

The Board has the responsibility to:

1) Oversee that the financial performance of the Corporation is adequately reported to shareholders, other security holders and regulators on a timely and regular basis.

2) Oversee that the Corporation's financial results are reported fairly and in accordance with generally accepted accounting principles.

3) Oversee that procedures are in place to effect the timely reporting of any other developments that have a significant and material impact on the value of the Corporation.

4) Review, consider and where required, approve, the reports required under National Instrument 51-101 – *Standards for Disclosure of Oil and Gas Activities* (as amended or replaced from time to time) of the Canadian Securities Administrators.

5) Report annually to shareholders on the Board's stewardship for the preceding year (the Annual Report).

6) Oversee that the Corporation has in place a policy to enable the Corporation to communicate effectively with its shareholders and the public generally.

7) Recommend to shareholders of the Corporation a firm of chartered professional accountants to be appointed as the Corporation's auditors.

11. Meetings

a) The Board shall meet at least once in each fiscal quarter, either in person or by teleconference. Additional meetings can be scheduled as required, at the discretion of the Board. Each director has a responsibility to attend and participate in Board meetings. Telephone or videoconference attendance is permissible with approval from the Chairman.

b) Minutes of each meeting of the Board will be prepared by the Corporate Secretary. Following each meeting, the Corporate Secretary will provide draft copies of the minutes of the meeting to the Board.

c) The CEO and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board.

d) At each Board meeting, there shall be a private session of the independent directors from which the non-independent directors will be excused, under the leadership of the Chairman of the Board, and if the Chairman is not independent, the independent directors will also meet in camera under the leadership of the Lead Director without the Chairman present.

12. Mandate Review

Parex' Corporate Governance and Nominating Committee will review this Mandate annually, or more frequently as may be determined necessary by the Corporate Governance and Nominating Committee, to ensure the Board is achieving its purpose.

13. Authorization

This Mandate of the Board of Directors is hereby approved on behalf of the Board of Directors of Parex Resources Inc. this 30th day of October, 2009 as amended November 9, 2011, November 13, 2013, October 4, 2017, February 7, 2019, and February 4, 2021.

____

Wayne Foo
Chair of the Board of Directors
Parex Resources Inc.

Appendix "B"
Option Plan

The Company has a "rolling" Option Plan reserving a maximum of 5.0% of the issued and outstanding Common Shares for issuance pursuant to Options, provided that the maximum number of Common Shares issuable pursuant to outstanding Options and all other security based compensation arrangements (as defined in the TSX Company Manual), shall not exceed 5.0% of the Common Shares outstanding from time to time.

The purpose of the Option Plan is to provide directors, officers and employees of Parex an incentive to achieve the longer term objectives of Parex; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of Parex; and to attract and retain in the employ of Parex or any of its subsidiaries, persons of experience and ability by providing them with the opportunity to acquire an increased proprietary interest in Parex.

Description of the Option Plan

Eligibility
The Option Plan provides for the granting of Options to purchase Common Shares of Parex to directors, officers and key employees of Parex and its subsidiaries.

Administration
The Option Plan is administered by the Board and the Board may, subject to applicable law, delegate its powers to administer the Option Plan to a committee of the Board. Options may be granted at the discretion of the Board, in such number that may be determined at the time of grant, subject to the limits set out in the Option Plan.

Exercise Price
The exercise price of Options granted under the Option Plan will be fixed by the Board at the time of grant, provided that the exercise price shall be not less than the closing trading price per Common Share on the TSX (or if the Common Shares are not listed on the TSX, on such stock exchange as the Common Shares are then traded) on the last trading day preceding: (i) the issuance of news release in respect of the Option grant, or (ii) if a news release is not issued announcing the Option grant, the date of grant, or, if the Common Shares are not listed on any stock exchange, a price determined by the Board.

Maximum Percentage of Common Shares Reserved
The aggregate maximum number of Common Shares that may be issued pursuant to the exercise of Options awarded under the Option Plan and all other share compensation arrangements of Parex is 5.0% of the Common Shares outstanding from time to time, subject to the following limitations:

1. the aggregate number of Common Shares reserved for issuance to any one person under the Option Plan, together with all other share compensation arrangements of Parex, within a 12-month period, must not exceed 5.0% of the outstanding issue of Common Shares (on a non-diluted basis);
2. the aggregate number of Common Shares reserved for issuance to any one Insider (as defined in the Option Plan) pursuant to the Option Plan, together with all other share compensation arrangements of Parex, must not exceed 5.0% of the outstanding issue of Common Shares;
3. the aggregate number of Common Shares issued to insiders pursuant to the Option Plan, together with all other share compensation arrangements of Parex, within a 12 month period, must not exceed 5.0% of the outstanding issue of Common Shares;
4. the aggregate number of Common Shares reserved for issuance to Insiders pursuant to the Option Plan, together with all other share compensation arrangements, at any time, must not exceed 5.0% of the issue of Common Shares;
5. the aggregate number of Common Shares reserved for issuance pursuant to the Option Plan to any one participant employed to provide investor relations activities (as defined in the Option Plan) within a 12 month period, must not exceed 2.0% of the outstanding issue of Common Shares;
6. the aggregate number of Common Shares reserved for issuance to all non-management directors pursuant to the Option Plan cannot exceed 1.0% of the outstanding issue of Common Shares; and
7. the aggregate value of all Options (calculated as of the date of grant) granted pursuant to the Option Plan to any non-management director cannot exceed $100,000 in any 12-month period.

Non-management directors were not granted any Options in 2018, 2019 or 2020.

Transferability
The Options are not assignable or transferable by an optionee, except for a limited right of assignment in the event of the death of the optionee.

Term and Vesting

The term of Options granted shall be determined by the Board in its discretion, to a maximum of five years from the date of the grant of the Option. The vesting period or periods within this period during which an Option or a portion thereof may be exercised shall be determined by the Board. In the absence of any determination by the Board as to vesting, vesting shall be as to one third on each of the first, second and third anniversaries of the date of grant. Further, the Board may, in exceptional circumstances and in its sole discretion at any time or in the Option agreement in respect of any Options granted, accelerate or provide for the acceleration of vesting of Options previously granted.

Early Expiration

Unless otherwise provided in an agreement evidencing the grant of Options, Options shall terminate at the earlier of (the "**Termination Date"**): (a) the close of business 90 days after the optionee ceasing (other than by reason of death or Retirement (as defined below) but including termination with or without cause) to be at least one of an officer, director or employee (in active employment carrying out regular and normal duties) of Parex or a subsidiary of Parex, as the case may be; (b) the close of business 90 days after the optionee has been provided with written notice of dismissal related to (a) above; and (c) the original expiry date of the Option. If before the expiry of an Option in accordance with the terms thereof a participant ceases to be an employee, officer or director by reason of the death of the participant, any unvested portion of such Option shall immediately vest. In addition, such Option may, subject to the terms thereof and any other terms of the Option Plan, be exercised by the legal personal representative(s) of the participant's estate or at any time before 5:00 p.m. (Calgary time) up to one year after the date of death of the participant, or until the original expiry date of the Option, if earlier.

If before the expiry of an Option in accordance with the terms thereof an optionee ceases to be an employee or officer of the Company or a subsidiary of the Company, as the case may be, as a result of the optionee's Retirement, then the terms, including, with restriction, the Termination Date, of all Options held by such optionee will not change as a result of such Retirement, subject to the terms of the Retirement Agreement (as defined below) entered into by the optionee and the Company.

For the purposes of the Option Plan, **"Retirement"** means: (a) the date that an optionee who is an officer or bona fide employee of the Company or a subsidiary reaches the age of sixty (60) and voluntarily ceases to be an officer or bona fide employee of the Company or a subsidiary, provided that the optionee: (i) has, at such time, provided continuous services to Company or a subsidiary for a minimum of ten (10) years or since November 2, 2009; (ii) has provided the Company with six (6) months prior written notice of the optionee's intention to retire; and (iii) is offered by the Company the opportunity to and enters into an agreement (which shall include non-competition and non-solicitation covenants and the consequences of breaching such covenants including the immediate termination of all outstanding Options notwithstanding the provisions noted above in respect of such Retirement) with the Company respecting such optionee's retirement from any employment with the Company or a subsidiary in a form that is acceptable to the Company (a "Retirement Agreement"); or (b) such other meaning as the CEO of the Company in the case of an optionee who is not an officer of the Company or a subsidiary, and the Board in all other cases, may determine from time to time.

Change of Control and Take-Over Acceleration Right

In the event of a Change of Control (as defined in the Option Plan) occurring, all Options which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable, notwithstanding the other terms of the Options for a period of time ending on the earlier of the expiry time of the Option and the thirtieth (30th) day following the Change of Control.

If approved by the Board, Options may provide that, whenever the Company's Shareholders receive a Take-over Proposal (as defined in the Option Plan), such Option may be exercised as to all or any of the Common Shares in respect of which such Option has not previously been exercised (including in respect of Options not otherwise vested at such time) by the holder of such Option (the **"Take-over Acceleration Right"**), but any such Option not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such Take-Over Proposal. If for any reason any such Common Shares are not so tendered or, if tendered, are not, for any reason taken up and paid for by the offeree pursuant to the Take-Over Proposal, any such Common Shares so purchased by the participant shall be and shall be deemed to be cancelled and returned to the treasury of the Company, and shall be added back to the number of Common Shares, if any, remaining unexercised under the Option (and shall thus be available for exercise of the Option in accordance with the terms thereof) and upon presentation to the Company of share certificates representing such Common Shares properly endorsed for transfer back to the Company, the Company shall refund to the participant all consideration paid by him or her in the initial purchase thereof. The Take-over Acceleration Right shall commence at such time as is determined by the Board, provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the Option and the tenth (10th) day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve.

Voluntary Black Out Periods

Pursuant to the Option Plan, the expiration of the term of any Options that would fall during a voluntary black out period or within 10 business days following the termination of a voluntary black out period will be extended for a period of 10 business days following the expiry of such black out period such that all optionees will always have a maximum of 10 business days following a voluntary black out period to exercise Options. This provision applies to all optionees.

Adjustments in Common Shares

Appropriate adjustments in the number of Common Shares subject to the Option Plan and, as regards Options granted or to be granted, in the number of Common Shares optioned and in the exercise price, shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Company (other than dividends in the ordinary course) or other relevant changes in the authorized or issued capital of the Company, which changes occur subsequent to the approval of the Option Plan by the Board.

Amendments to Options

The Option Plan provides that the Option Plan and any Options granted pursuant to the Option Plan may be amended, modified or terminated by the Board without approval of the Shareholders subject to any required approval of the TSX. Notwithstanding the foregoing, the Option Plan or any Options may not be amended without Shareholder approval to: (a) increase the number of Common Shares reserved for issuance under the Option Plan or the Option Plan maximum; (b) reduce the exercise price of any Option granted pursuant to the Option Plan; (c) extend the term of any outstanding Options beyond the original expiry date of the Option, other than as permitted pursuant to the Option Plan; (d) amend the Option Plan to increase the entitlements of non-management directors under the Option Plan; (e) permit an optionee to transfer or assign Options to a new beneficial holder, other than for estate settlement purposes; (f) any amendment to increase the number of Common Shares that may be issued to insiders above the restrictions contained in the Option Plan; or (g) amend the amendment provisions in the Option Plan.

In addition, no amendment to the Option Plan or Options granted pursuant to the Option Plan may be made without the consent of the optionee, if it adversely alters or impairs the rights of any optionee in respect of any Option previously granted to such optionee under the Option Plan.

Further, neither the Option Plan nor any Options may be amended without Shareholder approval to cancel any Options and issue the holder of such Options a new Option or other entitlement in replacement thereof or to amend such provision in the Option Plan.

Appendix "C"
RSU Plan

On October 16, 2012, the Board approved the adoption by Parex of the RSU Plan, which RSU Plan was approved by Shareholders on May 22, 2013. The RSU Plan allows the Board to grant RSUs, each of which is a unit that is equivalent in value to a Common Share and that upon vesting and exercise results in the holder thereof being issued a Common Share for a nominal exercise price. Prior to the adoption of the Cash/Share Settled RSU Plan, the RSU Plan was one of the Company's primary forms of long-term incentive compensation. While there remain RSUs and PSUs outstanding under the RSU Plan, Parex has not made any grants under the RSU Plan since 2018 and will not make any further grants under the RSU Plan as the requisite three-year approval under TSX policies of unallocated RSUs and PSUs under such plan expires on May 11, 2019. While no new awards will be made under the RSU Plan, it will remain in place until such time as all outstanding RSUs and PSUs issued under it have been exercised, are cancelled or expired by their terms which is expected to occur in 2023.

Description of the RSU Plan

Purpose of the RSU Plan

The purpose of the RSU Plan is to aid in attracting, retaining and motivating the directors, officers, and employees (collectively, "**Service Providers"**) of the Company and any entity that is a subsidiary of the Company from time to time, and any other entity designated by the Board from time to time (and, for greater certainty, including any successor entity of any of the aforementioned entities) (collectively, the **"Parex Group"**) in the growth and development of the Parex Group by providing them with the opportunity through RSUs to acquire Common Shares.

Administration of the RSU Plan

The Board administers the RSU Plan. The Board has the discretion to determine which Service Providers will be eligible to participate in the RSU Plan (each such Service Provider a **"Participant"**); provided that after April 1, 2016, non-management directors will not be eligible to receive new grants of RSUs pursuant to the RSU Plan. The Board may delegate to a committee (the **"Committee"**) of the Board all or any of the powers conferred on the Board under the RSU Plan. The Board or the Committee may also delegate or sub-delegate to any director or officer of the Company the whole or any part of the administration of the RSU Plan.

Limits on Issuances

The RSU Plan provides that:

(a) the maximum number of Common Shares issuable pursuant to outstanding RSUs at any time shall be limited to 4.0% of the aggregate number of issued and outstanding Common Shares, provided that the maximum number of Common Shares issuable pursuant to outstanding RSUs and all other security based compensation arrangements (as defined in the TSX Company Manual), shall not exceed 9.0% of the Common Shares outstanding from time to time;

(b) the number of Common Shares reserved for issuance to any one Participant under all security based compensation arrangements will not exceed 5.0% of the issued and outstanding Common Shares;

(c) the number of Common Shares issuable to insiders, at any time, under all security based compensation arrangements, shall not exceed 9.0% of the issued and outstanding Common Shares;

(d) the number of Common Shares issued to insiders, within any one year period, under all security based compensation arrangements, shall not exceed 9.0% of the issued and outstanding Common Shares; and

(e) the number of Common Shares issued to non-management directors, in aggregate, at any time, under all security-based compensation arrangements, shall not exceed 1.0% of the issued and outstanding Common Shares.

A grant of RSUs is made, and the number of such RSUs granted is credited to each Service Provider's account (the **"Participant's Account"**), effective as of a particular date determined by the Board (the **"Grant Date"**). The number of RSUs to be offered to each Participant is determined by the Board, or the Committee delegated by the Board to do so. The Board or the Committee may, in its sole discretion, determine: (a) the time during which RSUs shall vest and whether there shall be any other conditions or performance criteria to vesting; (b) the method of vesting; or (c) that no vesting restriction shall exist. In the absence of any determination by the Board or the Committee to the contrary, RSUs will vest and be exercisable as to one-third of the total number of RSUs granted on each of the first, second and third anniversaries of the Grant Date (computed in each case to the nearest whole Common Share). Notwithstanding the foregoing, the Board or the Committee may, at its sole discretion at any time or in the agreement in respect of any RSUs granted, accelerate or provide for the acceleration of vesting of RSUs previously granted. Prior to a vesting date in respect of any PSU, the Board will assess the performance of Parex for the applicable period based upon the performance measures, as determined by the Board. The corporate performance measures considered by the Board include, but are not limited to: (a) total shareholder return, absolute or relative; (b) the market price of the Common Shares from time to time; (c) the financial performance or results of Parex; (d) other operational or performance criteria relating to Parex; (e) activities related to the growth of Parex; (f) health and safety performance of Parex; (g) the execution of Parex' strategic plan as determined by the Board; and (h) such additional or other measures as the Board will consider appropriate in the circumstances. The weighting of individual measures comprising the performance measures will be determined by the Board in its sole discretion having regard to the principal purposes of the RSU Plan and upon such assessment, the Board will determine the applicable payout multiplier, which will not be less than 0 and not more than 2 (the **"Payout Multiplier"**). Upon determination of the Payout Multiplier, the number of Common Shares issuable pursuant to a vested PSU will be adjusted by multiplying the number of vested PSUs by the applicable Payout Multiplier. Except as required by law and the terms of the RSU Plan, the rights of a Participant under the RSU Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Term of RSUs

The term during which an RSU may be outstanding is, subject to the provisions of the RSU Plan requiring or permitting the acceleration or the extension of the term, such period, not in excess of five years, as is determined from time to time by the Board or the Committee, but subject to the rules of any stock exchange or other regulatory body having jurisdiction, and in the absence of any determination to the contrary will be the date that is five years from the Grant Date. In addition, unless otherwise determined by the Board or the Committee, or unless the Company and a Participant agree otherwise in an RSU agreement or other written agreement (including an employment or consulting agreement), each RSU shall provide that if a Participant shall cease to be a director or officer of or be in the employ of any of the entities comprising the Parex Group for any reason whatsoever including, without limitation, resignation, involuntary termination (with or without cause) or death, as determined by the Board in its sole discretion, before all of the grants respecting RSUs credited to the Participant's Account have vested or are forfeited pursuant to any other provision of the RSU Plan: (a) such Participant shall cease to be a participant in the RSU Plan as of the Forfeiture Date (as defined in the RSU Plan); (b) the former Participant shall forfeit all unvested grants respecting RSUs in the Participant's Account effective as at the Forfeiture Date; (c) any Common Shares corresponding to any remaining vested grant of RSUs shall be delivered to the former Participant in accordance with the RSU Plan as soon as practicable after the Forfeiture Date (or, in the case of death, to the legal representative of the deceased former Participant's estate as soon as practicable after receipt of satisfactory evidence of the Participant's death from the authorized legal representative of the deceased Participant) and upon payment of the exercise price of $0.01 per RSU; and (d) the former Participant shall not be entitled to any further issuance of Common Shares or any payment in respect of the RSU Plan.

Notwithstanding the preceding paragraph, if a Participant ceases to be a director or officer of or be in the employ of, or other Service Provider to, any of the entities comprising the Parex Group due to the death of the Participant, any unvested grants respecting RSUs in the deceased Participant's Account effective as at the time of the Participant's death are deemed to have vested immediately prior to the Forfeiture Date with the result that the deceased Participant shall not forfeit any unvested grants respecting RSUs. In respect of PSUs, if a Participant's death occurs within 90 days of the next vesting date applicable to unvested Performance RSUs (with such vesting date having been determined at the time of grant of the PSUs), the vesting date for such unvested PSUs shall be deemed to be that vesting date, and the Payout Multiplier for such unvested PSUs shall be determined as of such vesting date. Otherwise, the unvested Performance RSUs shall be deemed to have vested immediately prior to the Forfeiture Date and the Payout Multiplier will deemed to be 1.

Notwithstanding the foregoing or anything else contained in the RSU Plan to the contrary, if a Participant shall cease to be an officer of or be in the employ of, or other Service Provider to, any of the entities comprising the Parex Group as a result of the Participant's Retirement (as defined below), then the terms of all RSUs held by such Participant, including, with restriction, the term during which such RSUs may be outstanding, will not change as a result of such Retirement, subject to the terms of the Retirement Agreement (as defined below) entered into by the Participant and the Company.

For the purposes of the RSU Plan, **"Retirement"** means: (a) the date that a Participant who is an officer or employee of the Parex Group reaches the age of sixty (60) and voluntarily ceases to be a Service Provider, provided that the Participant: (i) has, at such time, provided continuous services to the Parex Group for a minimum of ten (10) years or since November 2, 2009; (ii) has provided the Company with six (6) months prior written notice of the Participant's intention to retire; and (iii) is offered by the Company the opportunity to and enters into an agreement (which shall include non-competition and non-solicitation covenants and the consequences of breaching such covenants including the immediate termination of all outstanding RSUs notwithstanding the above provisions in respect of such Retirement) with the Company respecting such Participant's retirement from any employment with the Parex Group in a form that is acceptable to the Company (a **"Retirement Agreement"**); or (b) such other meaning as the CEO of the Company in the case of a Participant who is not an officer of the Company or the Parex Group, and the Board in all other cases, may determine from time to time.

Notwithstanding the foregoing, if a Participant shall cease to be in the employ of any of the entities comprising the Parex Group as a result of the termination of employment by the applicable Parex Group entity, other than termination for cause, then a pro rata portion of the unvested RSU's (including unvested PSUs) in such Participant's Account effective immediately prior to the Forfeiture Date shall be deemed to have vested immediately prior to the Forfeiture Date, which pro rata portion of unvested RSUs shall be calculated as follows: (a) for each applicable separate grant of PSUs to such Participant, by multiplying the total number of PSUs in such grant by the quotient obtained from dividing the number of days from the Grant Date of such PSUs to the Forfeiture Date by 1,095; and (b) for each applicable separate grant of RSUs other than PSUs, by multiplying the total number of RSUs in such grant (vested and unvested) by the quotient obtained from dividing the number of days from the Grant Date of such RSUs to the Forfeiture Date by 1,095 and then subtracting the number of RSUs in such grant that have vested prior to the Forfeiture Date. Any unvested RSUs (including PSUs) in the Participant's Account that are not vested as aforesaid shall not vest and shall be forfeited by the Participant effective as of the Forfeiture Date. In respect of PSUs that vest as aforesaid, the Payout Multiplier in respect of such PSUs shall be determined, in good faith, as of the Forfeiture Date, provided that if no such determination is made by the Board or the Committee, the Payout Multiplier in respect of such PSUs shall be deemed to be one (1).

If Common Shares may not be issued pursuant to any RSUs due to any Black-Out Period (as defined below) at any time (the **"Restricted RSUs"**) and the expiry date of a RSU occurs during or within the three business day period prior to the Black-Out Period, the expiry date of such Restricted RSU shall be extended to a date which is seven business days following the end of the Black-Out Period (or such longer period as permitted by the Exchange (as defined in the RSU Plan) and approved by the Board or the Committee). For greater certainty, no Restricted RSUs may be exercised during a Black-Out Period. For the purposes of the RSU Plan, **"Black-Out Period"** means the period of time when, pursuant to any policies of the Company, any securities of the Company may not be traded by certain persons as designated by the Company, including any Participant that holds an RSU.

Exercise of RSUs

The Company will, as soon as practicable after the vesting and exercise of any RSUs, issue from treasury to the Participant the number of Common Shares required to be delivered upon the vesting of such Participant's RSUs. The Participant may exercise any vested RSU by delivering to the Company a notice of exercise in writing stating the Participant's intention to exercise a particular RSU together with payment of the exercise price of $0.01 per RSU so exercised. Upon receipt of the exercise notice and aggregate exercise price from the Participant, the Company will cause the Common Shares in respect of which the RSU has been exercised to be issued to the Participant.

Adjustments in Connection with an Alteration of the Common Shares

In the event: (a) of any change in the Common Shares through subdivision, consolidation, reclassification, amalgamation, merger or otherwise; or (b) that any rights are granted to all or substantially all Shareholders to purchase Common Shares at prices substantially below Fair Market Value (as defined in the RSU Plan) as the Grant Date; or (c) that, as a result of any recapitalization, merger, consolidation or other transaction, the Common Shares are converted into or exchangeable for any other securities or property; then the Board may make such adjustments to the RSU Plan, to any RSUs and to any RSU agreements outstanding under the RSU Plan as the Board may, in its sole discretion, and if applicable, subject to TSX approval, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to Participants thereunder and/or to provide for the Participants to receive and accept such other securities or property in lieu of Common Shares, and the Participants shall be bound by any such determination.

Adjustment in Connection with Certain Corporate Events

If the Company shall become merged (whether by plan of arrangement or otherwise) or amalgamated in or with another corporation or entity, or if a take-over bid is made for the Common Shares and such take-over bid is completed, or if the Company shall sell the whole or substantially the whole of its assets to another corporation or other entity, including without limitation a transaction which constitutes a Change of Control, the Company shall make provision that any unvested RSUs held by Participants on the effective date of such merger, amalgamation, take-over bid, sale or other transaction, shall be replaced with similar share units or other securities of the continuing successor corporation or other entity in such merger or amalgamation or take-over bid or of the purchasing corporation or other entity, which such similar share units or other securities shall be in in such amounts and shall have such terms and conditions that fully reflect the terms and conditions of all unvested RSUs held by the Participants, including the terms of this Plan and any applicable RSU Agreement, provided that the foregoing shall be without restriction to the Board's power to administer this Plan pursuant to the terms hereof.

If approved by the Board, whenever the Company's Shareholders receive a Take-over Proposal, (as defined below) RSUs may be exercised as to all or any of the Common Shares in respect of which an RSU has not previously been exercised (including in respect of some or all of the Common Shares not otherwise vested at such time) by the Participant (the **"Take-over Acceleration Right"**), provided that any such RSU not otherwise vested and deemed only to have vested in accordance with the foregoing may only be exercised for the purposes of tendering to such Take-Over Proposal. If for any reason any such Common Shares are not so tendered or, if tendered, are not, for any reason taken up and paid for by the offeree pursuant to the Take-Over Proposal, any such Common Shares so purchased by the Participant shall be and shall be deemed to be cancelled and returned to the treasury of the Company, and shall be added back to the number of Common Shares, if any, remaining unexercised under the RSU (and shall thus be available for exercise of the RSU in accordance with the terms thereof) and upon presentation of the Company of share certificates representing such Common Shares properly endorsed for transfer back to the Company, the Company shall refund to the Participant all consideration paid by him or her in the initial purchase thereof. If and to the extent approved by the Board, the Take-over Acceleration Right shall commence at such time as is determined by the Board (the **"Take-over Proposal Accelerated Vesting Date"**), provided that, if the Board approves the Take-over Acceleration Right but does not determine commencement and termination dates regarding same, the Take-over Proposal Accelerated Vesting Date will be, and the Take-over Acceleration Right shall commence on the date of the Take-over Proposal and end on the earlier of the expiry time of the RSU and the tenth day following the expiry date of the Take-over Proposal. Notwithstanding the foregoing, the Take-over Acceleration Right may be extended for such longer period as the Board may resolve. With respect to any unvested PSUs, the Payout Multiplier in respect of such PSUs shall be determined as of the Take-over Proposal Accelerated Vesting Date.

A **"Take-over Proposal"** is defined in the RSU Plan as: (i) any proposal or offer by a third party, whether or not subject to a due diligence condition and whether or not in writing, to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the Company's outstanding Common Shares whether by way of arrangement, amalgamation, merger, consolidation or other business combination, including any single or multi-step transaction or series of related transactions that is structured to permit such third party to acquire in any manner, directly or indirectly, more than 50% of its outstanding Common Shares; or (ii) any proposal, offer or agreement for a merger, consolidation, amalgamation, arrangement, recapitalization, liquidation, dissolution, reorganization or similar transaction or other business combination involving the Company.

Change of Control

Notwithstanding any other provision in the RSU Plan or the terms of any RSU agreement: (a) if on or immediately following the effective date of a Change of Control, a Participant shall no longer be in the employ of a member of the Parex Group or the continuing successor corporation or other entity as a result of termination of employment by the member of the Parex Group or the continuing successor corporation or other entity, other than termination of employment for cause, all RSUs held by such Participant which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable and, subject to RSU Plan, the Company shall upon the due exercise of such RSUs and no later than immediately following the effective date of the Change of Control, issue from treasury to the Participant the number of Common Shares required to be delivered upon the vesting of such Participant's RSUs. With respect to any unvested PSUs which vest, the Payout Multiplier in respect of such PSUs shall be determined immediately prior to the effective date of the Change of Control, provided that if no such determination is made by the Board, the Payout Multiplier in respect of such PSUs shall be deemed to be one (1); or (b) if following the Change of Control a Participant continues to be in the employ of a member of the Parex Group or the continuing successor corporation or other entity and in the period ending twelve (12) months from the effective date of the Change of Control, such Participant either: (i) shall no longer be in the employ of a member of the Parex Group or the continuing successor corporation or other entity as a result of termination of employment by the member of the Parex Group or the continuing successor corporation or other entity, other than termination for cause; or (ii) voluntarily ceases to be in the employ of a member of the Parex Group or the continuing successor corporation or other entity, with good reason, all RSUs (and/or similar securities of the continuing successor corporation or entity issued in replacement of RSUs) held by such Participant which have not otherwise vested in accordance with their terms shall immediately vest and be exercisable and, subject to the RSU Plan, the Company shall upon the due exercise of such RSUs promptly issue from treasury to the Participant the number of Common Shares required to be delivered upon the vesting of such Participant's RSUs. With respect to any unvested PSUs which vest, the Payout Multiplier in respect of such PSUs shall be determined, in good faith, as of the date the Participant ceases to be in the employ of a member of the Parex Group or the continuing successor corporation or other entity as aforesaid, provided that if no such determination is made by the Board, the Payout Multiplier in respect of such PSUs shall be deemed to be one (1).

A **"Change of Control"** is defined in the RSU Plan as: (i) the purchase or acquisition of any Common Shares or any securities convertible or exchangeable into Common Shares or carrying the right or obligation to acquire Common Shares (**"Convertible Securities"**) by a Holder (as defined in the RSU Plan) which results in the Holder beneficially owning, or exercising control or direction over, Common Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Common Shares carrying the right to cast more than 50% of the votes attaching to all Common Shares, but excluding any issue or sale of Common Shares of the Company to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement; or (ii) the Company completes an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation which requires approval of the Shareholders of the Company pursuant to its statute of incorporation and pursuant to which the Shareholders of the Company immediately thereafter do not own shares of the successor or continuing corporation, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation; or (iii) the election at a meeting of the Company's Shareholders of that number of persons which would represent a majority of the Board, as directors of the Company who are not included in the slate for election as directors proposed to the Company's Shareholders by the Company; or (iv) the liquidation, dissolution or winding-up of the Company; or (v) the sale, lease or other disposition of all or substantially all of the assets of the Company; or (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) referred to above; or (vii) a determination by the Board that there has been a change, whether by way of a change in the holding of the Common Shares of the Company, in the ownership of the Company's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Company.

Amendment or Discontinuance of the RSU Plan

The Board may amend or discontinue the RSU Plan or amend any RSU or RSU agreement at any time without the consent of a Participant, provided that such amendment shall not adversely alter or impair any RSU previously granted under the Plan or any related RSU agreement, except as otherwise permitted by the RSU Plan. In addition, the Board may, by resolution, amend the RSU Plan and any RSU granted under it (together with any related RSU agreement) without Shareholder approval, provided however, that at any time while the Common Shares are listed for trading on the TSX, the Board will not be entitled to amend the RSU Plan or any RSU granted under it without Shareholder and, if applicable, TSX approval: (a) to increase the maximum number of Common Shares issuable pursuant to the RSU Plan; (b) to reduce the exercise price of an RSU or cancel an RSU and subsequently issue the holder of such RSU a new RSU in replacement thereof; (c) to extend the term of an RSU; (d) to permit the assignment or transfer of an RSU other than as provided for in the RSU Plan; (e) to add to the categories of persons eligible to participate in the RSU Plan; (f) to remove or amend the restrictions on RSUs held by insiders; (g) to remove or amend the matters described in this paragraph; or (h) in any other circumstances where TSX and Shareholder approval is required by the TSX. Without limitation of the foregoing, the Board may correct any defect or supply any omission or reconcile any inconsistency in the RSU Plan in the manner and to the extent deemed necessary or desirable, may establish, amend, and rescind any rules and regulations relating to the RSU Plan, and may make such determinations as it deems necessary or desirable for the administration of the RSU Plan.

On termination of the RSU Plan, any outstanding grants of RSUs will immediately vest and the number of Common Shares corresponding to the RSUs that have been granted will be delivered to the Participant in accordance with and upon compliance with the terms of the RSU Plan. The RSU Plan will finally cease to operate for all purposes when: (a) the last remaining Participant receives delivery of all Common Shares corresponding to RSUs credited to the Participant's Account; or (b) all unexercised RSUs expire in accordance with the terms of the RSU Plan and the relevant RSU agreements.

On November 4, 2020, the Parex Board approved the following amendments to the RSU Plan, which amendments did not require Shareholder approval:

- accelerated vesting on a pro rata basis of RSUs and PSUs when a Participant is terminated by Parex (other than termination for cause);
- double trigger requiring two events to trigger accelerated vesting of RSUs and PSUs in respect of a Change of Control; and
- other amendments that were housekeeping in nature.

On February 4, 2021, the Parex Board approved an amendment to the RSU Plan to provide a 90 day timeline for terminated employees to exercise their outstanding vested RSUs and PSUs. Additionally other amendments that were housekeeping in nature were made.

Appendix "D"
DSU Plan

The DSU Plan allows the Board or the HR&C Committee to grant DSUs, each of which is a unit that is equivalent in value to a Common Share. DSUs will be fully vested upon grant and a DSU Participant (as defined below) will have the right to receive a Cash Payment (as defined below) on the Separation Date (as defined below) or such later date as the DSU Participant may elect by written notice delivered to the CFO (as defined herein) of the Company prior to the Separation Date. The purpose of the DSU Plan is to provide non-employee directors of the Company with the opportunity to acquire DSUs in order to allow them to participate in the long-term success of the Company and to promote a greater alignment of their interests with the interests of Shareholders. Any individual who is a member of the Board (an "Eligible Director") but who is not also an employee of the Company or any entity that is a subsidiary of the Company from time to time, any entity that is related to the Company for purposes of the Income Tax Act (Canada), and any other entity designated by the Board from time to time as a member of the "Parex Group" for the purposes of the DSU Plan (and, for greater certainty, including any successor entity of any of the aforementioned entities) (the "Parex Group") is eligible to participate in the DSU Plan.

The DSU Plan is administered by the HR&C Committee, which, from time to time in its sole discretion, will grant DSUs to Eligible Directors ("DSU Participants"). In respect of each grant of DSUs, the HR&C Committee will determine, among other things, the number of DSUs allocated to the DSU Participant and such other terms and conditions of the DSUs applicable to each grant.

DSUs will be fully vested upon being granted and credited to an account maintained by the Company for each DSU Participant by means of a book-keeping entry ("Account"). The term during which a DSU may be outstanding will, subject to the provisions of the DSU Plan which require or permit the acceleration or the extension of the term, be such period as may be determined from time to time by the Board or the HR&C Committee.

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

Notwithstanding any other provision of the DSU Plan, the aggregate value of all DSUs (calculated as of the date of grant) granted pursuant to the DSU Plan in any calendar year (from January 1 to December 31 of such year) to any non-management director cannot exceed $150,000 (excluding any DSU's granted in a one-time initial grant to a non-management director upon appointment to the Board provided the value of the DSU's granted in any such initial grant is not in excess of $150,000).

A DSU Participant will receive a Cash Payment in respect of DSUs recorded in the DSU Participant's Account, on one or more of the following dates (the "Distribution Date"): (a) in one payment after the date on which the DSU Participant ceases to be a director of any member of, and is not at that time an employee or officer of any member of, the Parex Group (the "Separation Date") in respect of all of the DSUs recorded in the Participant's Account; or (b) provided the DSU Participant provides written notice to the CFO of the Company prior to the Separation Date that the Participant wishes to receive Cash Payments (and, for clarity, does not wish to receive a single Cash Payment for all of the DSUs recorded in the Participant's Account on the Separation Date), on up to four (4) different dates, each such date occurring on or after the Separation Date and on or prior to December 1 of the calendar year following the calendar year in which the Separation Date applicable to such DSU Participant occurs (December 1, the "Final Payout Date"), and in such event the following provisions shall apply: (i) the DSU Participant shall be required to select, by one or more additional written notices to the CFO of the Company (a "Distribution Date Selection Notice"), each date, (each a “**Distribution Date**”) on which a Cash Payment in respect of Deferred Share Units recorded in the DSU Participant's Account is to occur and shall be required to deliver each Distribution Date Selection Notice no later than five (5) clear trading days (being days that the TSX is open for trading) prior to each corresponding Distribution Date (ii) the DSU Participant shall be required to include in each Distribution Date Selection Notice the number of DSUs recorded in the DSU Participant's Account in respect of which a Cash Payment is to be made on the applicable Distribution Date, provided that the number of DSUs that are the subject of a Distribution Date Selection Notice shall not be less than 10% of the aggregate number of DSUs recorded in the DSU Participant's Account at the Separation Date; and (iii) to the extent the aggregate number of DSUs that are the subject of all Distribution Date Selection Notices provided by the DSU Participant no later than five (5) clear trading days before the Final Payout Date is less than all of the DSUs recorded in such DSU Participant's Account at the Separation Date (the difference being the "Remaining Deferred Share Units"), such DSU Participant shall receive a Cash Payment in respect of the Remaining Deferred Share Units on the Final Payout Date.

A DSU Participant (or in the event of the DSU Participant's death, his beneficiary or legal representative) will receive a payment (the "Cash Payment") equal in value to the number of DSUs recorded in the DSU Participant's Account on the Separation Date (or, as applicable, equal in value to the number of DSUs specified in the applicable Distribution Date Selection Notice) multiplied by the Fair Market Value (as defined below) per Common Share (the "Distribution Value") on the Distribution Date, as applicable, less any applicable withholding taxes, within ten (10) business days after the Separation Date, as applicable. Upon payment in full of the Cash Payment less any withholding taxes, the DSUs will be cancelled and no further payments will be made to the DSU Participant under the DSU Plan.

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

Upon the death of a DSU Participant prior to the distribution of the DSUs credited to the Account of such DSU Participant under the DSU Plan, a Cash Payment shall be made to the estate of such DSU Participant on or about the thirtieth (30th) day after the Company is notified of the death of the DSU Participant or on a later date elected by the DSU Participant's estate in the form prescribed for such purposes by the Company and delivered to the CFO of the Company not later than twenty (20) days after the Company is notified of the death of the DSU Participant, provided that such elected date is no later than the last business day of the calendar year following the calendar year in which the DSU Participant dies so that payment can be made on or before such last business day. Such Cash Payment shall be equivalent to the amount which would have been paid to the DSU Participant pursuant to and subject to applicable withholding taxes, calculated on the basis that the day on which the DSU Participant dies, or the date elected by the estate, as applicable, is the Distribution Date.

Each DSU in a Participant's Account shall be credited with the equivalent amount of a dividend paid on a common share (“**Dividend Equivalents**”) in the form of additional DSUs as of each dividend payment date in respect of which normal cash dividends are paid on the Common Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of DSUs recorded in the DSU Participant's Account on the record date for the payment of such dividend, by (b) the “**Dividend Market Value**” (being the Fair Market Value per Common Share on the dividend record date), with fractions computed to three decimal places.

The Board may amend, suspend or terminate the DSU Plan or any portion thereof and any DSU granted under it (together with any related agreement in respect of a DSU) at any time without prior notice. However, no such amendment, suspension or termination may materially adversely affect any DSU, or any rights pursuant thereto, granted previously to any DSU Participant without the consent of that DSU Participant.

Appendix "E"

Cash/Share Settled RSU Plan

The Cash/Share Settled RSU Plan allows the Board to grant Cash/Share Settled RSUs (also referred to as “**CosRSUs**”) (including performance cash or share settled RSUs (“**CosPSUs**”)), each of which is a right to receive a Cash Payment (as defined below) or Common Shares purchased on the open market by the Plan Agent (as defined in the Cash/Share Settled RSU Plan). The purpose of the Cash/Share Settled RSU Plan is to: (a) aid in attracting, retaining and motivating directors, officers and employees (collectively, the "Service Providers") of the Parex Group by providing them Cash/Share Settled RSUs; (b) more closely align Service Providers interests with those of Parex' Shareholders; (c) focus such Service Providers on operational and financial performance and long-term Shareholder value; and (d) motive and reward Service Providers for their performance and contributions to the Company's long-term success.

The Board administers the Cash/Share Settled RSU Plan and has the authority to: (a) determine the Service Providers to whom Cash/Share Settled RSUs may be granted (each a “**Participant**”); and (b) grant Cash/Share Settled RSUs on such terms and conditions as it determines. The Board may delegate to a committee (the "Committee") of the Board or any director or officer of the Company all or any of the powers conferred on the Board under the Cash/Share Settled RSU Plan.

The Board or the Committee may, in its sole discretion, determine: (a) the time during which Cash/Share Settled RSUs shall vest and whether there shall be any other conditions or performance criteria to vesting; (b) the method of vesting; or (c) that no vesting restriction shall exist. In the absence of any determination by the Board or the Committee to the contrary, Cash/Share Settled RSUs will vest and be exercisable as to one-third of the total number of Cash/Share Settled RSUs granted on each of the first, second and third anniversaries of the Grant Date, and all Cash/Share Settled PSUs will vest on the third anniversary of the Grant Date thereof. Notwithstanding the foregoing, the Board or the Committee may, at its sole discretion at any time or in the agreement in respect of any Cash/Share Settled RSUs granted, accelerate or provide for the acceleration of vesting of Cash/Share Settled RSUs previously granted.

Prior to a vesting date in respect of any Cash/Share Settled PSU, the Board will assess the performance of Parex for the applicable period based upon the performance measures, as determined by the Board. The corporate performance measures considered by the Board may include, but are not limited to: (a) total shareholder return, absolute or relative; (b) the market price of the Common Shares from time to time; (c) the financial performance or results of Parex; (d) other operational or performance criteria relating to Parex; (e) activities related to the growth of Parex; (f) health and safety performance of Parex; (g) the execution of Parex' strategic plan as determined by the Board; and (h) such additional or other measures as the Board will consider appropriate in the circumstances. The weighting of individual measures comprising the performance measures will be determined by the Board in its sole discretion having regard to the principal purposes of the Cash/Share Settled RSU Plan and upon such assessment, the Board will determine the applicable payout multiplier, which will not be less than 0 and not more than 2 (the "**Payout Multiplier**"). Any determination of a Payout Multiplier shall occur at a time when a Black Out Period (as defined in the Cash/Share Settled RSU Plan) is not in effect. The actual performance measures that determined the payout multiplier for the 2018 Cash/Share Settled PSU awards that vested in March 2021 are detailed in this Information Circular under “Executive Compensation”.

In the event the Participant elects (or is deemed to elect) to receive a cash payment for all of the vested CosRSU's held by such Participant: (a) as of each vesting date a Participant shall be automatically entitled to receive a payment (a "**Cash Payment**") equal in value to: (i) the number of vested CosRSU's for which the Participant elected to receive a Cash Payment, less the number of vested CosPSU's recorded in the Participant's Account multiplied by the Fair Market Value (as defined below) of a Common Share on the vesting date; plus (ii) the number of vested CosPSU's recorded in the Participant's Account for which the Participant elected to receive a Cash Payment multiplied by the payout multiplier (calculated as discussed below), with such product multiplied by the Fair Market Value of a Common Share on the vesting date, less any applicable withholding taxes. For the purposes of the CosRSU Plan, "Fair Market Value" with respect to a Common Share, as at any date, means the weighted average of the prices at which the Common Shares traded on the TSX (or, if the Common Shares are not then listed and posted for trading on the TSX or are then listed and posted for trading on more than one stock exchange, on such stock exchange on which the majority of the trading volume and value of the Common Shares occurs) for the five (5) trading days on which the Common Shares traded on the said exchange immediately preceding such date. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Fair Market Value shall be the fair market value of the Common Shares as determined by the Board in its sole discretion, acting reasonably and in good faith.

Except as required by law and the terms of the Cash/Share Settled RSU Plan, the rights of a Participant (as defined in the Cash/Share Settled RSU Plan) under the Cash/Share Settled RSU Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

The term during which a Cash/Share Settled RSU may be outstanding is, such period, not in excess of three years plus the time period required to settle the vested Cash/Share Settled RSUs.

If a Participant ceases to be in the employ of any of the entities comprising the Parex Group (as defined in the Cash/Share Settled RSU Plan) for any reason whatsoever, including, without limitation, resignation, involuntary termination (with or without cause) or death, as determined by the Board in its sole discretion, before all of the grants respecting Cash/Share Settled RSUs credited to the Participant's

Account (as defined in the Cash/Share Settled RSU Plan) have vested or are forfeited pursuant to any other provision of the Cash/Share Settled RSU Plan, the former Participant shall forfeit all unvested grants respecting Cash/Share Settled RSUs in the Participant's Account effective as at the Forfeiture Date (as defined in the Cash/Share Settled RSU Plan). Notwithstanding the foregoing, if a Participant ceases to be in the employ of any of the entities of the Parex Group as a result of the termination of employment by the applicable Parex Group entity, other than termination for cause, then a pro rata portion of the unvested Cash/Share Settled RSUs credited to the Participant's Account will be deemed to have vested immediately prior to the Forfeiture Date. The pro rata portion of unvested Cash/Share Settled RSUs shall be calculated for each applicable separate grant of Cash/Share Settled RSUs, by multiplying the total number of CosRSUs in such grant (vested and unvested) by the quotient obtained from dividing the number of days from the date of grant of such CosRSUs to the Forfeiture Date by 1,095 and then subtracting the number of CosRSUs in such grant that have vested prior to the Forfeiture Date. The pro rata portion of unvested Cash/Share Settled PSUs shall be calculated for each applicable separate grant of Cash/Share Settled PSUs, by multiplying the total number of Cash/Share Settled PSUs in such grant by the quotient obtained from dividing the number of days from the Grant Date of such Performance RSUs to the Forfeiture Date by 1,095. Any unvested CosRSUs (including CosPSUs) in the Participant's Account that are not vested as aforesaid shall not vest and shall be forfeited by the Participant effective as of the Forfeiture Date. In respect of CosPSUs that vest as aforesaid, the Payout Multiplier in respect of such CosPSUs shall be determined, in good faith, as of the Forfeiture Date, utilizing, for this purpose, the data and information, including any peer group information, as at the end of the most recently ended fiscal quarter (or as at the end of the most recently completed fiscal year to the extent such quarterly information is not available) provided that if no such determination is made by the Board, the Payout Multiplier in respect of such CosPSUs shall be deemed to be one (1).

Notwithstanding the preceding paragraph, if a Participant ceases to be a director or officer of or be in the employ of, or other Service Provider to, any of the entities comprising the Parex Group due to the death of the Participant, any unvested grants respecting Cash/Share Settled RSUs in the deceased Participant's Account effective as at the time of the Participant's death are deemed to have vested immediately prior to the Forfeiture Date with the result that the deceased Participant shall not forfeit any unvested grants respecting Cash/Share Settled RSUs.

If a Participant retires from the Parex Group, the terms of all Cash/Share Settled RSUs held by such Participant will not change as a result of such Retirement (as defined in the Cash/Share Settled RSU Plan), subject to any terms in a retirement agreement entered into by the Participant and the Company.

Notwithstanding any other provision in the Cash/Share Settled RSU Plan or the terms of any CosRSU agreement: (a) if on or immediately following the effective date of a Change of Control (as defined below), a Participant shall no longer be in the employ of a member of the Parex Group or the continuing successor corporation or other entity as a result of termination of employment by the member of the Parex Group or the continuing successor corporation or other entity, other than termination of employment for cause, all CosRSUs held by such Participant which have not otherwise vested in accordance with their terms shall immediately vest, such Participant shall not be entitled to make an election (as described below) for such vested CosRSUs and the cash payment for such CosRSUs shall be made or delivered, and no later than immediately following the effective date of the Change of Control. With respect to any unvested CosPSUs which vest, the Payout Multiplier in respect of such CosPSUs shall be determined immediately prior to the effective date of the Change of Control, provided that if no such determination is made by the Board, the Payout Multiplier in respect of such CosPSUs shall be deemed to be one (1); or (b) if following the Change of Control a Participant continues to be in the employ of a member of the Parex Group or the continuing successor corporation or other entity and in the period ending twelve (12) months from the effective date of the Change of Control, such Participant either: (i) shall no longer be in the employ of a member of the Parex Group or the continuing successor corporation or other entity as a result of termination of employment by the member of the Parex Group or the continuing successor corporation or other entity, other than termination for cause; or (ii) voluntarily ceases to be in the employ of a member of the Parex Group or the continuing successor corporation or other entity, with good reason, all CosRSUs (and/or similar securities of the continuing successor corporation or entity issued in replacement of CosRSUs) held by such Participant which have not otherwise vested in accordance with their terms shall immediately vest, such Participant shall not be entitled to make an election (as described below) for such vested CosRSUs and the cash payment, for such CosRSU shall be made as soon as practical thereafter, less applicable withholdings. With respect to any unvested CosPSUs which vest, the Payout Multiplier in respect of such CosPSUs shall be determined, in good faith, as of the date the Participant ceases to be in the employ of a member of the Parex Group or the continuing successor corporation or other entity as aforesaid, provided that if no such determination is made by the Board, the Payout Multiplier in respect of such PSUs shall be deemed to be one (1).

A "Change of Control" is defined in the Cash/Share Settled RSU Plan as: (i) the purchase or acquisition of any Common Shares or Convertible Securities (as defined in the Cash/Share Settled RSU Plan) by a Holder (as defined in the Cash/Share Settled RSU Plan) which results in the Holder beneficially owning, or exercising control or direction over, Common Shares or Convertible Securities such that, assuming only the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own, or exercise control or direction over, Common Shares carrying the right to cast more than 50% of the votes attaching to all Common Shares, but excluding any issue or sale of Common Shares of the Company to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement; or (ii) the Company completes an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation which requires approval of the Shareholders of the Company pursuant to its statute of incorporation and pursuant to which the Shareholders of the Company immediately thereafter do not own shares of the successor or continuing corporation, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation; or (iii) the election at a meeting of the Company's Shareholders of that number of persons which would represent a majority of the Board, as directors of the Company who are not included in the slate for election as directors proposed to the Company's Shareholders by the Company; or (iv) the liquidation, dissolution or winding-up of the Company; or (v) the sale, lease or other disposition of all or substantially all of the assets of the Company; or (vi) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), (iv) and (v) referred to above; or (vii) a determination by the Board that there has been a change, whether by way of a change in the holding of the Common Shares of the Company, in the ownership of the Company's assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Company.

Prior to each vesting date, Participants will be required to make an election for all vested Cash/Share Settled RSUs recorded in the Participant's Account to receive one (but not a combination) of a cash payment or Common Shares purchased on the open market by the Plan Agent. If a Participant would be making an election during a Black Out Period, the making of such election will be delayed to a date which is two business days following the end of the Black Out Period (or such longer period as approved by the Board or the Committee). In the event a Participant fails to submit an election notice in accordance with the Cash/Share Settled RSU Plan, such Participant will be entitled to receive a cash payment for all vested Cash/Share Settled RSUs recorded in the Participant's Account on such vesting date and shall not be entitled to receive Common Shares purchased on the open market.

If a cash payment would otherwise occur in respect of vested Cash/Share Settled RSUs during a Black Out Period, the making of such payment shall be delayed to a date which is seven business days following the end of the Black Out Period (or such longer period as approved by the Board or the Committee). If Common Shares would otherwise be purchased by the Plan Agent, on behalf of a Participant, pursuant to any vested Cash/Share Settled RSUs during a Black Out Period, such Common Share purchases will be delayed to a date which is seven business days following the end of the Black Out Period (or such longer period as approved by the Board or the Committee) and the Company will advise the Plan Agent in a timely fashion of any such delay.

Each cash or share settled RSU in a Participant's Account shall be credited with the equivalent amount of a dividend paid on a common share ("**Dividend Equivalents**") in the form of additional Cash/Share Settled RSUs as of each dividend payment date in respect of which normal cash dividends are paid on the Common Shares. Such Dividend Equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Common Share by the number of Cash/Share Settled RSUs recorded in the Participant's Account on the record date for the payment of such dividend, by (b) the Fair Market Value (as defined in the cash or share settled RSU Plan, per Common Share on the record date for the payment of such dividend, with fractions computed to three decimal places. For certainty, upon a Cash/Share Settled RSU vesting pursuant to the terms of the Cash/Share Settled RSU Plan, all Dividend Equivalents (in the form of additional Cash/Share Settled RSUs) credited to a Participant in respect of such vested Cash/Share Settled RSU shall similarly and contemporaneously vest, regardless of the date on which the Dividend Equivalent was so credited to a Participant and notwithstanding anything else in the Cash/Share Settled RSU Plan to the contrary.

The Board may amend or discontinue the Cash/Share Settled RSU Plan or amend any Cash/Share Settled RSU or Cash/Share Settled RSU agreement at any time without the consent of a Participant, provided that such amendment shall not adversely alter or impair any Cash/Share Settled RSU previously granted under the Cash/Share Settled RSU Plan or any related Cash/Share Settled RSU agreement, except as otherwise permitted by the Cash/Share Settled RSU Plan.

PAREX RESOURCES INC

2700 Eighth Avenue Place, West Tower
585 8 Avenue SW
Calgary, AB T2P 1G1 Canada