

INFORMATION CIRCULAR – PROXY STATEMENT

DATED MARCH 22, 2019



www.nuvistaenergy.com

WHO WE ARE

NuVista is an oil and natural gas company actively engaged in the exploration for, and the development and production of, oil and natural gas reserves in the Western Canadian Sedimentary Basin. Our primary focus is on the scalable and repeatable condensate-rich Montney formation in the Wapiti area of the Alberta Deep Basin.

We are publicly traded on the Toronto Stock Exchange (TSX: NVA). Find out more on our website www.nuvistaenergy.com, or contact us at inv_rel@nuvistaenergy.com.

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PROXY SUMMARY

The following summary highlights some of the important information you will find in this information circular – proxy statement. We recommend you read the entire information circular before voting.

Voting Matters	Board Vote Recommendation	For More Information See Pages
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LETTER TO SHAREHOLDERS

March 22, 2019

Dear Fellow Shareholder,

On behalf of the Board of Directors and management of NuVista Energy Ltd., we hope you will join us at the Conference Centre (4th floor) of Eighth Avenue Place, 525 8th Avenue, S.W., Calgary, Alberta on Tuesday, May 7, 2019 at 3:00 p.m. (Calgary time) for our annual shareholders' meeting.

This meeting provides an opportunity for you to vote on the items of business, hear about our performance over the past year and learn more about our plans for the future. The meeting also provides you with the opportunity to meet our board and staff.

The accompanying information circular – proxy statement describes the business that will be conducted at the meeting and provides information on our executive compensation and governance practises.

Your vote is important to us. If you are unable to attend the meeting, we encourage you to ensure your vote is recorded by returning the signed form of proxy or vote via our internet option. If your shares are not registered in your name and are held in the name of a nominee, you may wish to consult the information beginning on page 5 of the accompanying information circular – proxy statement for information on how to vote your shares.

We hope you will join us at this year's meeting.

Sincerely,

(signed) "*Keith A. MacPhail*"

Keith A. MacPhail
Chair of the Board

NOTICE OF ANNUAL MEETING

NOTICE is hereby given that the annual meeting of the shareholders of NuVista Energy Ltd. will be held in the Conference Centre (4th floor) of Eighth Avenue Place, 525 8th Avenue S.W., Calgary, Alberta on Tuesday, May 7, 2019 at 3:00 p.m. (Calgary time) to:

1. receive and consider our financial statements for the year ended December 31, 2018, together with the report of the auditors;
2. fix the number of directors to be elected at the meeting at nine (9) members;
3. elect nine (9) directors of NuVista Energy Ltd.;
4. appoint the auditors and authorize our directors to fix their remuneration as such;
5. consider a non-binding advisory resolution on our approach to executive compensation; and
6. transact such other business as may properly be brought before the meeting or any adjournment thereof.

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

If you are a registered shareholder and are unable to attend the meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, our transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 3:00 p.m. (Calgary time) on May 3, 2019 or, if the meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjourned meeting. If you receive more than one proxy form because you own our common shares registered in different names or addresses, each proxy form should be completed and returned.

Only shareholders of record at the close of business on March 28, 2019, will be entitled to vote at the meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the meeting.

DATED at Calgary, Alberta this 22nd day of March, 2019.

By order of the Board of Directors of NuVista Energy Ltd.

(signed) "Ross Andreachuk"

Vice President, Finance, Chief Financial Officer and
Corporate Secretary

INFORMATION CIRCULAR - PROXY STATEMENT DATED MARCH 22, 2019 FOR THE ANNUAL MEETING OF SHAREHOLDERS OF NUVISTA ENERGY LTD. TO BE HELD ON TUESDAY, MAY 7, 2019.

VOTING MATTERS

Solicitation of Proxies

This information circular - proxy statement is furnished in connection with the solicitation of proxies for use at the annual meeting of the shareholders of NuVista Energy Ltd. to be held at 3:00 p.m. (Calgary time) on Tuesday, May 7, 2019, in the Conference Centre (4th floor) of Eighth Avenue Place, 525 8th Avenue S.W., Calgary, Alberta.

If you are a registered shareholder and are unable to attend the meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, our transfer agent. To be valid, completed proxy forms must be dated, completed, signed and deposited with Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 135 West Beaver Creek, P.O. Box 300, Richmond Hill, Ontario, L4B 4R5, (ii) by hand delivery to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or (iii) by facsimile to (416) 263-9524 or 1-866-249-7775. If you vote through the Internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 3:00 p.m. (Calgary time) on May 3, 2019 or, if the meeting is adjourned, 24 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjourned meeting.

The instrument appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed form of proxy are our directors and/or officers. **As a shareholder you have the right to appoint a person or company, who need not be a shareholder, to represent you at the meeting.** To exercise this right you should insert the name of the desired representative in the blank space provided on the form of proxy and strike out the other names or submit another appropriate proxy.

Only shareholders of record at the close of business on March 28, 2019, will be entitled to vote at the meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the meeting, establishes ownership of the shares and demands that the transferee's name be included on the list of shareholders entitled to vote at the meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold your common shares in your own name. Only proxies deposited by shareholders whose names appear on our records as the registered holders of common shares can be recognized and acted upon at the meeting. If your common shares are listed in your account statement provided by your broker, then, in almost all cases, those common shares will not be registered in your name on our records. Such common shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms. Common shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the meeting. Often, the form of proxy supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to a mailing/tabulating agent who mails a scannable voting instruction form in lieu of the form of proxy. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternatively, you can use their website or call their toll-free telephone number to instruct them how to vote your shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of shares to be represented at the meeting. **If you receive a voting instruction form from a mailing/tabulating agent, it cannot be used as a proxy to vote shares directly at the meeting as it must be returned to the mailing/tabulating agent well in advance of the meeting in order to have the shares voted.**

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you or the person you give your proxy attends personally at the meeting, you or such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at our head office at any time up to and including the last business day before the day of the meeting, or any adjournment thereof, at which the proxy is to be used, or with the chair of the meeting on the day of the meeting, or any adjournment thereof.

Persons Making the Solicitation

This solicitation is made on behalf of our management. We will bear the costs incurred in the preparation and mailing of the form of proxy, notice of annual meeting and this information circular - proxy statement. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by our directors, officers and employees who will not be remunerated therefor.

Exercise of Discretion by Proxy

The common shares represented by proxy in favour of management nominees will be voted or withheld from voting on any matter at the meeting. Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on the matter in accordance with the specification so made. If you do not provide instructions, your shares will be voted in favour of the matters to be acted upon as set out herein. The persons appointed under the form of proxy, which we have furnished, are conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and notice of annual meeting and with respect to any other matters which may properly be brought before the meeting or any adjournment thereof. At the time of printing this information circular – proxy statement, we know of no such amendment, variation or other matter.

Notice-and-Access

We have elected to use the "notice-and-access" provisions under National Instrument 54-101 - *Communications with Beneficial Owners of Securities of a Reporting Issuer* for the meeting to those of you who do not hold your common shares in your own name. 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 us to post our information circular in respect of our meeting and related materials online.

We have also elected to use procedures known as "stratification" in relation to our use of the "notice-and-access" provisions. Stratification occurs when we, while using the "notice-and-access" provisions, provide a paper copy of our notice of meeting and information circular and, if applicable, a paper copy of our financial statements and related management's discussion and analysis, to some but not all of our shareholders. In relation to the meeting, our registered shareholders will receive a paper copy of the notice of the meeting, this information circular, a form of proxy and our financial statements and related management's discussion and analysis whereas non-registered holders of our common shares will receive a "notice-and-access" notification and a voting instruction form. In addition, a paper copy of the notice of the meeting, this information circular, a form of proxy and our financial statements and related management's discussion and analysis 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.

We will be delivering proxy-related materials to non-objecting beneficial owners of our common shares directly with the assistance of Broadridge Investor Communications Solutions. We intend to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of our common shares.

Voting Shares and Principal Holders

We are authorized to issue an unlimited number of common shares without nominal or par value. As at March 22, 2019, there were 225,327,895 common shares issued and outstanding. As a holder of common shares you are entitled to one vote for each share you own.

To the knowledge of our directors and officers, as at March 22, 2019, no person or company beneficially owned, or controlled or directed, directly or indirectly, more than 10% of our common shares.

MATTERS TO BE ACTED UPON AT THE MEETING

Fixing the Number of Directors

Our articles provide for a minimum of three directors and a maximum of eleven directors. Our by-laws provide that the number of our directors shall be determined from time to time by our shareholders. There are currently nine directors on our board of directors.

At the meeting, it is proposed that the number of directors to be elected to hold office until the next annual meeting or until their successors are elected or appointed be set at nine.

Accordingly, unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the meeting at nine.

Election of Directors

Our board has fixed the number of directors to be elected at the meeting at nine members. You are being asked to cast your vote for the following nine directors:

- | | |
|----------------------|--------------------|
| Keith A. MacPhail | Sheldon B. Steeves |
| Ronald J. Eckhardt | Deborah S. Stein |
| Pentti O. Karkkainen | Jonathan A. Wright |
| Ronald J. Poelzer | Grant A. Zawalsky |
| Brian G. Shaw | |

Each director will hold office until the next annual meeting of our shareholders or his or her successor is duly elected or appointed, unless his or her office is earlier vacated.

In the event that a vacancy among such nominees occurs because of death or for any reason prior to the meeting, the proxy will not be voted with respect to such vacancy.

Voting for Election of Directors

Our directors are elected annually, individually and by majority vote. The individual voting results will be published by news release and on www.sedar.com after the meeting. The individual voting results will also be reviewed by our Governance and Nominating Committee and will be considered as part of the committee's overall review and assessment of the nominees recommended to shareholders at our next annual meeting of shareholders.

Our by-laws set forth a procedure requiring advance notice to us by any shareholder who intends to nominate a person for election as a director of us. Among other things, the by-laws set a deadline by which such shareholders must notify us in writing of an intention to nominate directors prior to any meeting of shareholders at which directors are to be elected and specify the information that a nominating shareholder must include in the notice in order for director nominees to be eligible for nomination and election at the meeting. 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. Our by-laws do not affect nominations made pursuant to a "proposal" made in accordance with the *Business Corporations Act* (Alberta) or a requisition of a meeting of

shareholders made pursuant to the *Business Corporations Act* (Alberta). As of the date of this information circular – proxy statement, we have not received any nominations pursuant to the advance notice provisions contained in our by-laws.


We have a majority vote policy. Unless there is a contested election, a director who receives more withhold votes than votes "for" will immediately offer to resign. The Governance & Nominating Committee will review the latter and recommend to the board whether to accept the resignation. The committee will consider all relevant factors, including why shareholders withheld votes, the director's length of service, qualifications and contributions to us, share ownership, the current mix of skills and attributes of the directors on our board; the impact with respect to covenants in our agreements or plans, if any; and legal requirements, policies or guidelines (regulatory, securities or corporate laws, or stock exchange rules) for director numbers and qualifications. The resignation will be effective if and when accepted by the board. The director will not participate in any deliberations on the matter.


We expect to accept the resignation unless there is some special circumstance that warrants the director to stay on our board. In any case, our board shall determine whether or not to accept the resignation within 90 days of the relevant annual shareholders' meeting and we will promptly issue a news release with the board's decision. If the board determines not to accept a resignation, the news release will fully state the reasons for that decision.


Management recommends that shareholders vote FOR the election of each of these nominees. The persons named in the enclosed form of proxy intend to vote FOR the election of each of these nominees unless the shareholder specifies authority to do so is withheld.


Biographies of our Directors

The following information relating to the director nominees is based partly on our records and partly on information received by us from the nominees:


	<p>Keith A. MacPhail, P. Eng. Bachelor of Science (Petroleum Engineering) (Honours) and a Diploma (Petroleum Technology) (Honours) Calgary, Alberta, Canada Age: 62 Director since 2003 Chair of the Board Independent Director Shareholder approval rating at the 2018 annual meeting – 96.71%</p>									
<p>Mr. MacPhail has over 35 years of experience in the oil and gas industry and is currently Chair of Bonavista Energy Corporation. Prior thereto, Mr. MacPhail was the Chair and CEO of Bonavista. Prior to joining Bonavista in 1997, Mr. MacPhail held progressively more responsible positions with Canadian Natural Resources Limited with his final position being Executive Vice President and COO. Prior thereto, he held the position of Production Manager with POCO Petroleum Ltd.</p>										
<p>Mr. MacPhail holds a Bachelor of Science (Honours) degree in Petroleum Engineering from the Montana College of Mineral Science, a diploma in Petroleum Technology (Honours) from SAIT and is a member of the Association of Professional Engineers, Geologists & Geophysicists of Alberta.</p>										
<p>Mr. MacPhail also serves on the board of directors of Cenovus Energy Inc. and one other private company.</p>										
<table border="1"> <thead> <tr> <th>Board and Committee Participation</th> <th>Position</th> <th>Meetings</th> <th>Attendance</th> </tr> </thead> </table>		Board and Committee Participation	Position	Meetings	Attendance					
Board and Committee Participation	Position	Meetings	Attendance							
<table border="1"> <tr> <td>Board of Directors</td> <td>Chair</td> <td>11/11</td> <td>100%</td> </tr> </table>		Board of Directors	Chair	11/11	100%					
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<table border="1"> <tr> <td>Reserves Committee</td> <td>Member</td> <td>3/3</td> <td>100%</td> </tr> </table>		Reserves Committee	Member	3/3	100%					
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<table border="1"> <tr> <td>Executive Committee</td> <td>Member</td> <td>15/15</td> <td>100%</td> </tr> </table>		Executive Committee	Member	15/15	100%					
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<table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">2018</th> <th colspan="2">2017</th> </tr> <tr> <th>Number</th> <th>Value ⁽²⁾</th> <th>Number</th> <th>Value ⁽³⁾</th> </tr> </thead> </table>			2018		2017		Number	Value ⁽²⁾	Number	Value ⁽³⁾
	2018		2017							
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<table border="1"> <tr> <td>Common Shares</td> <td>2,532,042</td> <td>10,330,731</td> <td>2,394,812</td> <td>19,206,392</td> </tr> </table>		Common Shares	2,532,042	10,330,731	2,394,812	19,206,392				
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<table border="1"> <tr> <td>Deferred Share Units</td> <td>72,795</td> <td>297,004</td> <td>44,104</td> <td>353,714</td> </tr> </table>		Deferred Share Units	72,795	297,004	44,104	353,714				
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<table border="1"> <tr> <td>Total</td> <td>2,609,837</td> <td>10,627,735</td> <td>2,448,916</td> <td>19,560,106</td> </tr> </table>		Total	2,609,837	10,627,735	2,448,916	19,560,106				
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	<p>Ronald J. Eckhardt Bachelor of Science (Mechanical Engineering) Calgary, Alberta, Canada Age: 64 Director since 2013 Independent Director Shareholder approval rating at the 2018 annual meeting – 99.18%</p>				
<p>Mr. Eckhardt has more than 35 years of experience in the oil and gas industry. Most recently, Mr. Eckhardt was the Executive Vice-President, North American Operations for Talisman Energy Inc., a public oil and gas company from 2003 to 2009. Mr. Eckhardt joined Talisman (then BP Canada) in 1986 as Chief Drilling Engineer and held positions of increasing responsibility in domestic operations until his retirement in 2009.</p> <p>Mr. Eckhardt holds a Bachelor of Science degree in Mechanical Engineering from the University of Manitoba.</p> <p>Mr. Eckhardt is also a member of the board of directors of Athabasca Oil Corporation.</p>					
Board and Committee Participation		Position	Meetings	Attendance	
Board of Directors		Member	11/11	100%	
Reserves Committee		Chair	3/3	100%	
Equity Holdings ⁽¹⁾		2018		2017	
	Number	Value ⁽²⁾	Number	Value ⁽³⁾	
Common Shares	158,311	645,909	146,011	1,171,008	
Stock Options	5,000	-	18,000	20,320	
Deferred Share Units	49,947	203,784	30,586	245,300	
Total	213,258	849,693	194,597	1,436,628	
Other Public Board Directorships			Committee Positions		
Athabasca Oil Corporation			Chair of the Board Reserves Committee		

	<p>Pentti O. Karkkainen, ICD.D Bachelor of Science (Geology) (Honours) and Masters of Business Administration West Vancouver, British Columbia, Canada Age: 64 Director since 2003 Lead Director Independent Director Shareholder approval rating at the 2018 annual meeting – 97.20%</p>																													
<p>Mr. Karkkainen has over 30 years of investment management, energy sector research and investment banking experience, as well as four years of industry experience with Gulf Canada Resources. Mr. Karkkainen was a Co-Founder and General Partner of KERN Partners, a leading Canadian based energy focused capital markets and private equity firm, from September 2000 to July 2014 and was the firm's Senior Strategy Advisor from July, 2014 until his retirement from the firm in August, 2015. Prior to establishing KERN Partners, Mr. Karkkainen was Managing Director and Head of Oil and Gas Equity Research at RBC Capital Markets.</p>																														
<p>Mr. Karkkainen holds a Bachelor of Science (Honours) degree in Geology from Carleton University, a Masters of Business Administration degree from Queen's University and holds a designation from the Institute of Corporate Directors.</p>																														
<p>Mr. Karkkainen is also a member of the board of directors of AltaGas Ltd.</p>																														
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	<p>Ronald J. Poelzer, CPA, CA Bachelor of Commerce (Distinction) Calgary, Alberta, Canada Age: 57 Director since 2003 Independent Director Shareholder approval rating at the 2018 annual meeting – 96.81%</p>				
<p>Mr. Poelzer has more than 30 years of experience in the oil and gas industry and is currently Vice Chair of Bonavista Energy Corporation. Prior thereto, Mr. Poelzer was Executive Vice President and Vice Chair of Bonavista responsible for various strategic planning, business development, financial and capital market roles. Prior to joining Bonavista in 1997, Mr. Poelzer was with Poco Petroleum Ltd. as Vice President, Business Development. Prior thereto, Mr. Poelzer was in public accounting practise.</p> <p>Mr. Poelzer is a Chartered Professional Accountant and holds a Bachelor of Commerce (Distinction) degree from the University of Saskatchewan.</p> <p>Mr. Poelzer is also a member of the board of directors of various private companies and a charitable foundation.</p>					
Board and Committee Participation		Position	Meetings	Attendance	
Board of Directors	Member	11/11	100%		
Audit Committee	Member	4/4	100%		
Governance and Nominating Committee	Member	2/2	100%		
Executive Committee	Member	15/15	100%		
Equity Holdings ⁽¹⁾		2018		2017	
	Number	Value ⁽²⁾	Number	Value ⁽³⁾	
Common Shares	4,001,277	16,325,210	3,501,277	28,080,242	
Stock Options	5,000	-	10,000	-	
Deferred Share Units	27,307	111,413	19,928	159,823	
Total	4,033,584	16,436,623	3,531,205	28,240,065	
Other Public Board Directorships			Committee Positions		
Bonavista Energy Corporation			Vice Chair of the Board Audit Committee Executive Committee		

	<p>Brian G. Shaw, CFA Masters of Business Administration and Bachelor of Commerce Toronto, Ontario, Canada Age: 65 Director since 2014 Independent Director Shareholder approval rating at the 2018 annual meeting – 99.18%</p>				
<p>Mr. Shaw is an experienced financial industry executive with particular expertise in capital markets and investing activities. He is also currently a director of Encana Corp., Manulife Bank of Canada and Manulife Trust Company.</p> <p>Mr. Shaw is an alumnus of CIBC World Markets Inc. (and its predecessor firm Wood Gundy) where he was employed for 23 years. He was Chair and Chief Executive Officer of CIBC World Markets Inc. from 2005 through 2008 and prior to that managed the Global Equities Division for a number of years. Mr. Shaw is a Chartered Financial Analyst and holds both a Masters of Business Administration and a Bachelor of Commerce from the University of Alberta.</p> <p>Mr. Shaw is also a member of the board of directors of Encana Corp.</p>					
Board and Committee Participation		Position	Meetings	Attendance	
Board of Directors		Member	11/11	100%	
Audit Committee		Member	4/4	100%	
Equity Holdings ⁽¹⁾					
2018					
2017					
Number		Value ⁽²⁾		Number	
Value ⁽³⁾					
Common Shares	99,301	405,148	89,301	716,194	
Stock Options	10,000	-	15,000	-	
Deferred Share Units	40,058	163,437	26,618	213,476	
Total	149,359	568,585	130,919	929,670	
Other Public Board Directorships			Committee Positions		
Encana Corp.			Audit Committee Reserves Committee		

	<p>Sheldon B. Steeves, P. Geol. Bachelor of Science (Geology) Calgary, Alberta, Canada Age: 65 Director since 2013 Independent Director Shareholder approval rating at the 2018 annual meeting – 98.96%</p>				
<p>Mr. Steeves has more than 35 years of experience in the North American oil and natural gas business. Mr. Steeves was most recently the Chief Executive Officer and Chair of Echoex Ltd., a private oil and natural gas exploration and production company. Mr. Steeves started Echoex Ltd. in January of 2001 and monetized the company in April 2012. Prior to Echoex, Mr. Steeves was the Chief Operating Officer of Renaissance Energy Ltd.</p>					
<p>Mr. Steeves holds a Bachelor of Science degree in Geology from the University of Calgary and is a member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, the Canadian Society of Petroleum Geologists and the American Association of Petroleum Geologists.</p>					
<p>Mr. Steeves also serves on the board of directors of Enerplus Corporation and PrairieSky Royalty Ltd.</p>					
Board and Committee Participation		Position	Meetings	Attendance	
Board of Directors		Member	11/11	100%	
Reserves Committee		Member	3/3	100%	
Governance and Nominating Committee		Member	2/2	100%	
Equity Holdings ⁽¹⁾		2018		2017	
		Number	Value ⁽²⁾	Number	Value ⁽³⁾
Common Shares	25,631	104,574	21,331	171,075	
Stock Options	5,000	-	10,000	-	
Deferred Share Units	24,439	99,711	17,060	136,821	
Total	55,070	204,285	48,391	307,896	
Other Public Board Directorships		Committee Positions			
Enerplus Corporation	Reserve Committee (Chair) Health, Safety and Environment Committee				
PrairieSky Royalty Ltd.	Reserve Committee (Chair) Audit and Risk Management Committee Governance and Compensation Committee				

	<p>Deborah S. Stein, CPA, CA Bachelor of Arts (Economics) Heritage Pointe, Alberta, Canada Age: 58 Director since 2016 Independent Director Shareholder approval rating at the 2018 annual meeting – 97.90%</p>				
<p>Ms. Stein has over 30 years of industry experience, including 17 years of direct experience in the oil and gas industry, most recently having held the position of Chief Financial Officer at AltaGas Ltd. Prior to joining AltaGas in 2005, Ms. Stein held various positions at TransCanada Corporation. Ms. Stein also led the finance functions of Wendy's Restaurants of Canada and Paramount Canada's Wonderland.</p> <p>Ms. Stein is a Chartered Professional Accountant, holds a designation from the Institute of Corporate Directors and obtained her Bachelor of Arts degree from York University, majoring in Economics.</p> <p>Ms. Stein also serves on the board of directors of Parkland Fuel Corporation, Trican Well Service Ltd., Velvet Energy Ltd., CEDA and is a past Chair of Financial Executives Canada.</p>					
Board and Committee Participation		Position	Meetings	Attendance	
Board of Directors	Member	11/11	100%		
Audit Committee	Chair	4/4	100%		
Compensation Committee	Member	3/3	100%		
Equity Holdings ⁽¹⁾		2018		2017	
	Number	Value ⁽²⁾	Number	Value ⁽³⁾	
Common Shares	30,810	125,705	18,750	150,375	
Stock Options	-	-	-	-	
Deferred Share Units	24,439	99,711	17,060	136,821	
Total	55,249	225,416	35,810	287,196	
Other Public Board Directorships			Committee Positions		
Parkland Fuel Corporation	Audit Committee Human Resources & Corporate Governance Committee				
Trican Well Service Ltd.	Audit Committee Human Resources & Compensation Committee				

	<p>Jonathan A. Wright, P. Eng. Masters of Science (Mechanical Engineering) (Great Distinction) and Bachelor of Science (Mechanical Engineering) (Great Distinction) Calgary, Alberta, Canada Age: 53 Director since 2011 President & CEO (Not Independent) Shareholder approval rating at the 2018 annual meeting – 97.50%</p>
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Mr. Wright has been our President and Chief Executive Officer since May 9, 2011. Mr. Wright has more than 29 years of experience in the oil and gas industry.

Prior to joining NuVista, Mr. Wright has held progressively more responsible roles both domestically and abroad with Talisman Energy Ltd., most recently as Senior Vice-President of Talisman's North American Conventional Production Division which produced approximately one-half of Talisman's North American production at the time. Prior to joining Talisman in 1995, Mr. Wright spent six years with Shell Canada Ltd. in various operations and business development roles.

Mr. Wright possesses both a Masters and a Bachelor of Science Degree in Mechanical Engineering (with great distinction) from the University of Saskatchewan, where he earned, among other awards, the Canadian Governor General's Gold Medal for being the Outstanding University Post-Graduate for his pursuit in hydraulics and computer controls.

In addition, Mr. Wright serves on the Board of Governors for CAPP, the Canadian Association of Petroleum Producers.

Board and Committee Participation		Position	Meetings	Attendance
Board of Directors		Member	11/11	100%
Executive Committee		Member	15/15	100%
Equity Holdings ⁽¹⁾				
		2018		2017
		Number	Value ⁽²⁾	Number
			Value ⁽³⁾	
Common Shares	406,600	1,658,928	275,459	2,209,181
Stock Options	1,022,488	-	909,531	916,344
Share Awards	98,558	402,117	69,418	556,732
Total	1,527,646	2,061,045	1,246,980	3,682,257
Other Public Board Directorships		Committee Positions		
None		-		

	<p>Grant A. Zawalsky, LL.B. Bachelor of Laws and Bachelor of Commerce Calgary, Alberta, Canada Age: 59 Director since 2003 Independent Director Shareholder approval rating at the 2018 annual meeting – 85.99%</p>
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Mr. Zawalsky is the Managing Partner of Burnet, Duckworth & Palmer LLP (Barristers and Solicitors) where he has been a Partner since 1994.

Mr. Zawalsky holds a Bachelor of Commerce and LL.B. from the University of Alberta and is a member of the Law Society of Alberta.

Mr. Zawalsky currently sits on the board of directors of PrairieSky Royalty Ltd., Whitecap Resources Inc., Zargon Oil & Gas Ltd. and a number of private companies. He is also the Corporate Secretary of ARC Resources Ltd. and Bonavista Energy Corporation and is a Governor of the Calgary Petroleum Club.

Board and Committee Participation		Position	Meetings	Attendance	
Board of Directors		Member	11/11	100%	
Governance and Nominating Committee		Chair	2/2	100%	
Executive Committee		Member	15/15	100%	
Equity Holdings ⁽¹⁾					
		2018		2017	
		Number	Value ⁽²⁾	Number	Value ⁽³⁾
Common Shares		211,915	864,613	189,815	1,522,316
Stock Options		5,000	-	10,000	-
Deferred Share Units		38,309	156,301	24,185	193,964
Total		255,224	1,020,914	224,000	1,716,280
Other Public Board Directorships			Committee Positions		
PrairieSky Royalty Ltd.			Reserves Committee Governance and Compensation Committee		
Whitecap Resources Inc.			Health, Safety and Environment Committee		
Zargon Oil & Gas Ltd.			Governance and Compensation Committee		

Notes:

- (1) We have established an equity ownership policy that non-management directors must have an equity ownership interest in our common shares within six months of joining our board of at least three times their annual board retainer. Following the phase-in period, directors are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.
- (2) The value of the 2018 Equity Holdings have been calculated as the sum of: (i) the number of common shares held by each nominee as of December 31, 2018 multiplied by the closing price of our common shares on the Toronto Stock Exchange on December 31, 2018 (\$4.08), (ii) the number of common shares issuable upon exercise of the stock options held by the nominee as of December 31, 2018 multiplied by

the difference between the closing price of our common shares on the Toronto Stock Exchange on December 31, 2018 (\$4.08) and the exercise price of the applicable stock option; and (iii) in the case of Mr. Wright, the number of restricted share awards and performance share awards (with an assumed payout multiplier of 1x) held by Mr. Wright as of December 31, 2018 multiplied by the closing price of our common shares on the Toronto Stock Exchange on December 31, 2018 (\$4.08); and (iv) the value of the deferred share units of each nominee is based on the number of DSUs held by the nominee as of December 31, 2018 multiplied by the closing price of our common shares on the Toronto Stock Exchange on December 31, 2018 (\$4.08).

- (3) The value of the 2017 Equity Holdings have been calculated as the sum of: (i) the number of common shares held by each nominee as of December 31, 2017 multiplied by the closing price of our common shares on the Toronto Stock Exchange on December 29, 2017 (\$8.02), (ii) the number of common shares issuable upon exercise of the stock options held by the nominee as of December 31, 2017 multiplied by the difference between the closing price of our common shares on the Toronto Stock Exchange on December 29, 2017 (\$8.02) and the exercise price of the applicable stock option; and (iii) in the case of Mr. Wright, the number of restricted share awards held by Mr. Wright as of December 31, 2017 multiplied by the closing price of our common shares on the Toronto Stock Exchange on December 29, 2017 (\$8.02); and (iv) the value of the DSUs of each nominee is based on the number of DSUs held by the nominee as of December 31, 2017 multiplied by the closing price of our common shares on the Toronto Stock Exchange on December 29, 2017 (\$8.02).

Experience and Background of Proposed Directors

Our Governance and Nominating Committee seeks to recruit candidates who reflect a diversity of skills, experience and perspectives which are relevant to our business. Our Governance and Nominating Committee has established the following "skills matrix" outlining the skills and experience which they believe are required by the members of our board of directors.

Skills Matrix	
<i>Executive Leadership</i>	Experience as a CEO or equivalent is believed to provide the most effective counsel to management, as well as critical oversight on behalf of stakeholders.
<i>Enterprise Risk Assessment</i>	Board or executive experience in evaluating and managing risks in the oil and natural gas business is sought to assist our board in understanding and assessing the risks and opportunities faced by us.
<i>Value Creation</i>	Board or executive experience in evaluating and executing on, value creation opportunities through acquisitions, divestitures, mergers or developmental opportunities is critical to our board's ability to effectively fulfill its oversight responsibilities relating to our corporate strategy and ultimate value creation.
<i>Health, Safety & Environment</i>	Board or management experience with environmental compliance and workplace health and safety in the oil and gas industry are important since such experiences assists our board in more effectively carrying out compliance oversight responsibilities and to support our commitment to managing and operating in a safe, efficient, environmentally responsible manner in association with our industry partners and to continually improving our environmental, health, safety and social performance.

Skills Matrix	
Operations	As all of our business is derived from oil and natural gas operations, we seek candidates who possess a solid understanding of our industry and its operations.
Reserves and Resource Evaluation	Board experience with, or management responsibility for, oil and natural gas reserve and resource evaluation and reporting is critical to assist our board to carry out its oversight responsibilities of the evaluation of our reserves and resources.
Compensation and Human Resources	Compensation and human resource skills and experience assist our board in fulfilling its responsibility to ensure that we maintain effective incentive programs which attract, motivate and retain top talent, while at the same time reinforcing strategic priorities.
Accounting & Finance	Financial literacy in reading financial statements, financial accounting and operational accounting experience as well as corporate finance knowledge and experience usually from senior accounting and financial management, audit firm background or banking experience are valued in order to enable our board to oversee management's handling of financial and financial reporting matters, including by: critically assessing our financial performance and projections; understanding our critical accounting policies, as well as technical issues relevant to the external audit; and evaluating the robustness of our internal controls.
Legal, Regulatory and Governmental	A broad understanding of corporate, securities, land tenure and oil and natural gas law, regulatory regimes in Western Canada and governmental royalty, incentive and taxation policies usually through management experience or a legal background are important since such experiences assist our board in more effectively carrying out its compliance oversight responsibilities and support our board in understanding the regulatory trends shaping the oil and gas industry and assessing our strategic response to such trends.
Corporate Governance	A broad understanding of good corporate governance usually through experience as a board member or as a senior executive officer is valued in light of the competing demands of stakeholders and the increasingly complex governance environment in which public companies operate.

The following table outlines the experience and background of, but not necessarily the technical expertise of, the individual nominees of our board based on information provided by such individuals:

Name	Executive Leadership	Enterprise Risk Assessment	Value Creation	Health, Safety & Environment	Operations	Reserves and Resource Evaluation	Compensation and Human Resources	Accounting & Finance	Legal, Regulatory and Governmental	Corporate Governance
Ronald J. Eckhardt	✓	✓	✓	✓	✓	✓	✓		✓	✓
Pentti O. Karkkainen	✓	✓	✓	✓		✓	✓	✓		✓
Keith A. MacPhail	✓	✓	✓	✓	✓	✓	✓		✓	✓
Ronald J. Poelzer	✓	✓	✓	✓		✓		✓		✓
Brian G. Shaw	✓		✓	✓			✓	✓		✓
Sheldon B. Steeves	✓	✓	✓	✓	✓	✓	✓			✓
Deborah S. Stein	✓	✓	✓				✓	✓	✓	✓
Jonathan A. Wright	✓	✓	✓	✓	✓	✓	✓			✓
Grant A. Zawalsky	✓	✓	✓	✓			✓		✓	✓
Total	9/9	8/9	9/9	8/9	4/9	6/9	8/9	4/9	4/9	9/9

Additional Disclosure Relating to Proposed Directors

Except as otherwise disclosed herein or in connection with the other matters described below, none of our directors (nor any personal holding company of any of such persons) is, as of the date hereof, or was within ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including us), that 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 that was issued while the director was acting in the capacity as director, chief executive officer or chief financial officer; or that was issued after the 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.

None of our directors (nor any personal holding company of any of such persons) is, as of the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including us) 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 other than Mr. Zawalsky who was formerly a director of Endurance Energy Ltd. (a private company engaged in the exploration and production of natural gas) which filed for creditor protection under the *Companies Creditors' Arrangement Act* on May 30, 2016. Mr. Zawalsky resigned as a director of Endurance Energy Ltd. on November 1, 2016.

None of our directors (nor any personal holding company) or any such person has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

None of our directors (nor any personal holding company of any of such persons) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Appointment of Auditors

Our board recommends the appointment of the firm of KPMG LLP, Independent Registered Chartered Professional Accountants, as our auditors, to hold office until the next annual meeting of our shareholders. Our board will also be authorized to set the fees paid to KPMG LLP.

KPMG LLP has acted as our auditors since 2003. In 2017, an internal assessment of KPMG LLP was undertaken by the board of directors and NuVista management to assess the performance of KPMG LLP as our auditors. The assessment concluded KPMG LLP was providing the necessary services and the quality thereof was sufficient to maintain KPMG LLP as our recommended auditors. Our board and management will conduct a similar assessment at least every five years.

The following table provides information about the fees billed to us for professional services rendered by KPMG LLP during fiscal 2017 and 2018:

Type of Work	2018 Fees ⁽⁴⁾ (\$)	2017 Fees ⁽⁴⁾ (\$)
Audit fees ⁽¹⁾	488,000	279,000
Audit related fees ⁽²⁾	58,500	35,000
Tax fees ⁽³⁾	3,750	350

Notes:

- (1) Audit fees consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) Audit related fees consist of fees for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported as audit fees.
- (3) Tax fees include tax compliance, tax advice, tax planning and compilation of tax returns.
- (4) Fees presented do not include KPMG LLP's 7% technology and support surcharge.

Advisory Vote on Executive Compensation

The underlying principle for executive compensation throughout NuVista is "pay-for-performance". We believe that this philosophy achieves the goal of attracting and retaining excellent employees and executive officers, while rewarding the demonstrated behaviors that reinforce our values and help us to deliver on our corporate objectives.

Our board believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles that guide the executive compensation-related decisions made by our Compensation Committee. Shareholders are encouraged to review the *Executive Compensation* section of this information circular - proxy statement, which discusses our compensation philosophy and approach to executive compensation, what our named executive officers are paid, and how their respective levels of compensation are determined.

As part of our ongoing commitment to corporate governance, our board of directors has approved a non-binding advisory vote on executive compensation at the meeting with the intention that this shareholder advisory vote will form an integral part of our ongoing process of engagement between our shareholders and our board of directors relating to executive compensation. We will disclose the results of the shareholder advisory vote as a part of our report on voting results for the meeting. At our last annual shareholders meeting we received over 99% support for our advisory vote on executive compensation.

As this is an advisory vote, the results will not be binding upon our board of directors. Our board, and specifically the Compensation Committee, will not be obligated to take any compensation actions, or make any adjustments to executive compensation programs or plans, as a result of the vote. However, the Compensation Committee and our board of directors will take into account the results of the vote, together with feedback received from our shareholders, in considering our approach to compensation in the future.

In the event that there is a significant vote against or the advisory resolution is not approved by a majority of the votes cast at the meeting, our board of directors will consult with shareholders (particularly those who are known to have voted against it) to understand their concerns and will review our approach to compensation in the context of those concerns. Results from this review, if necessary, will be discussed in our information circular - proxy statement for the annual meeting of shareholders to be held in 2020. Shareholders may contact our Corporate Secretary by mail at our head office at Suite 2500, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1, if they wish to share their view on executive compensation with our board of directors.

At the meeting, shareholders will be asked to vote on the following resolution:

"BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the board of directors of NuVista Energy Ltd., that the shareholders accept the approach to executive compensation disclosed in the information circular - proxy statement of NuVista Energy Ltd. dated March 22, 2019."

Our board of directors recommends that shareholders vote FOR the non-binding advisory resolution regarding our approach to executive compensation.

DIRECTOR COMPENSATION

Our board, through the Governance and Nominating Committee, is responsible for the development and implementation of a compensation plan for our directors who are not also officers. We do not pay any compensation to officers for acting as a director. For information concerning the compensation paid to Mr. Wright who is also our President and Executive Officer, see *Executive Compensation*.

The main objectives of our compensation plan for directors are to attract and retain the services of the most qualified individuals and to compensate our directors in a manner that is commensurate with the risks and responsibilities assumed in board and committee membership and at a level that is similar to the compensation paid to directors of a peer group of oil and gas companies. In addition, our philosophy of using compensation to foster a culture of ownership also extends to our director compensation policies.

The total compensation structure for non-employee directors for 2018 consisted of annual retainers, meeting fees and a semi-annual equity award provided in the form of deferred share units. Each DSU represents the right to receive a cash payment equivalent to the fair market value of our common shares, or in the case of a DSU issued in lieu of board and committee retainers and meeting fees only, at our election, a common share issued from treasury, therefore having the same upside and downside risk as the value of our common shares.

Fees and Retainers

In 2018, our non-employee directors received cash retainers and meeting fees which were paid on a quarterly basis. They are also reimbursed for travel expenses related to their attendance at meetings.

The following table displays the compensation structure for 2018 for our non-employee directors:

2018 Annual Retainers and Meeting Fees	Amount (\$) ⁽¹⁾
Annual Board Retainer	40,000
Additional Board Retainers:	
Board Chair Retainer	40,000
Lead Director Retainer	7,000
Audit Chair Retainer	14,000
Audit Committee Member Retainer	5,600
Other Committee Member Retainer ⁽²⁾	3,750
Per Meeting Attendance Fees:	
Board Meeting	1,400
Committee Meeting (excluding Executive Committee)	1,400
Executive Committee	700

Notes:

- (1) Each year, a non-employee director may elect to receive all or part of his or her annual remuneration in the form of deferred share units.
- (2) We do not pay retainers for our Executive Committee.

On December 4, 2018, our board approved a change to their compensation structure. Effective January 1, 2019, the board eliminated meeting attendance fees and replaced them with an increase in the annual retainer to \$55,000 from the previous \$40,000.

Incentive Compensation

Historically we granted stock options to our directors, although we have not granted any stock options to our directors since 2014. As at December 31, 2018, our non-management directors held an aggregate of 40,000 options, which represented less than 1% of our issued and outstanding common shares as at such date. For information regarding the outstanding options held by the independent directors, see *Directors Outstanding Option-Based and Share-based Awards* and *Directors Incentive Plan Awards – Value Vested or Earned during the Year* below.

In May of 2016, we implemented a directors' deferred share unit plan for our non-management directors. The DSU Plan is the only active form of long term incentive compensation for our non-management directors. A copy of our current DSU Plan has been filed on our profile on the SEDAR website at www.sedar.com on April 1, 2019 under the category "Other Securityholders Documents".

Our directors receive a semi-annual grant of deferred share units under the deferred share unit plan. Our directors are also able to elect to take all or a portion of their annual board and committee retainers and meeting attendance fees in the form of deferred share units.

Each deferred share unit represents the right to receive a cash payment equivalent to the fair market value of our common shares, or in the case of a deferred share issued in lieu of board and committee retainers and meeting fees only, at our election, a common share issued from treasury. Deferred share units vest once they are credited to the director's deferred share unit account and may only be redeemed after the director ceases to be a director. In 2018, we granted an aggregate of 120,580 deferred share units to our non-management directors, of which 61,548 deferred share units were issued in 2018 in lieu of cash fees and may, at our option, be settled in common shares.

The following is a detailed description of the terms of our deferred share unit plan.

Deferred Share Unit Plan

The deferred share unit plan allows our Compensation Committee to grant deferred share units to members of our board, who are not also full time employees of us or one of our subsidiaries, partnerships, trusts or other controlled entities.

The purposes of the deferred share unit plan are to: (i) promote greater alignment of the interests between our directors and our shareholders by providing a means to accumulate a financial interest in us that corresponds to the risk, responsibility and commitment of directors; (ii) support compensation that is competitive and rewards our long term success as measured in total shareholder return; and (iii) attract and retain qualified individuals with the experience and ability to serve as directors.

The deferred share unit plan is administered by our Compensation Committee. Subject to the Compensation Committee's reporting to and obtaining approval from our board on all matters relating to the deferred share unit plan, the Compensation Committee has sole and absolute discretion to administer the plan.

The Compensation Committee authorizes the amount of deferred share units to be granted to each of the participants for each calendar year, and the date that the grant becomes effective. In cases where a participant becomes a board member after the deferred share units for that calendar year have been granted, deferred share units may be granted as of the date of the appointment to our board and in such amount as determined by the Compensation Committee. The Compensation Committee may also from time to time determine that special circumstances justify the approval of a grant of deferred share units in addition to the other compensation to which the participant is entitled.

Participants may also elect to receive all or part of their annual retainer remuneration that is otherwise payable in cash, in the form of deferred share units. In order to do so, participants must complete a written election form by no later than December 1 of the calendar year preceding the year in which the participant earns the deferred remuneration. For individuals who become participants after the commencement of a calendar year, and for the year in which the deferred share unit plan is established, participants may make an election within 30 days of becoming a director or the establishment of the plan. A participant's election for the latest calendar year will continue to apply to subsequent calendar years until the participant submits another election in respect of a calendar year. Participants may only file one election in respect of a calendar year, and that election is irrevocable for that calendar year.

Deferred share units are not transferable or assignable.

Subject to an extension for blackouts, we credit deferred share units in respect of an election to a participant's deferred share unit account on the date that the remuneration would otherwise be payable. The number of deferred share units credited is determined by dividing the amount of the participant's deferred remuneration by the fair market value (as defined in the plan) of our common shares on the date the deferred share units are credited.

The number of common shares reserved for issuance from time to time pursuant to outstanding deferred share units granted and outstanding under the plan is limited to 500,000 common shares.

If any deferred share units granted under the plan expire, terminate or are cancelled for any reason without the common shares issued thereunder having been issued in full, any unissued common shares to which such deferred share units relate shall be awardable for the purposes of granting of further deferred share units.

The aggregate number of deferred share units granted to any single holder cannot exceed 1% of our issued and outstanding common shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares). In order to comply with changes in governance guidelines since the DSU Plan was implemented, in 2019 we amended the DSU Plan to provide that the value of all DSUs granted to any one non-management director during a calendar year, as calculated on the grant date (excluding DSUs granted in lieu of board and committee retainers and meeting fees) shall not exceed \$150,000. This amendment has been approved by the Toronto Stock Exchange and did not require shareholder approval.

In accordance with the rules of the Toronto Stock Exchange, the number of common shares issued to insiders within one year pursuant to the plan, and issuable to insiders at any time, under the plan or when combined with all of our other security based compensation arrangements, shall not exceed 10% of our issued and outstanding shares (including common shares issuable upon exchange or conversion of any of

our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares).

Dividends paid on our common shares before the maturity date of the deferred share units will be credited as deferred share units to the participant's account as of the dividend payment date.

Deferred share units vest immediately upon being credited to a participant's account.

Following the date on which the participant ceases to hold all positions with us and our subsidiaries, partnerships, trusts or other controlled entities (the "**Termination Date**"), except as a result of death, all deferred share units credited to a participant's account will be redeemed as of the maturity date. The maturity date for US taxpayers is the Termination Date.

For directors who are not US taxpayers, the maturity date is December 1st of the calendar year immediately following the year of the Termination Date. Directors may file an irrevocable maturity date acceleration election subsequent to the Termination Date. Subject to the exceptions below, the elected maturity date must be no earlier than 180 days after the Termination Date and no later than December 1st of the calendar year following the Termination Date. The elected maturity date may be any time between the Termination Date and December 1st of the following calendar year, if one of the following exceptions apply: (i) the director resigns pursuant to the "majority voting" or similar policy; (ii) the director fails to be elected as a director at a shareholder meeting after being included as a nominee in our information circular; or (iii) the director is removed from office by a vote of shareholders.

Following a participant's Termination Date except as a result of death, the participant will have the right to have the deferred share units credited to their account redeemed by us. All deferred share units and dividend entitlements thereon (if any) will be redeemed for a cash payment except that, at our election, we may redeem deferred share units and dividend entitlements thereon (if any) issued as compensation for annual board and committee retainers and meeting attendance fees, in cash or through the issuance of common shares from treasury or purchased on the market and any combination of these. The cash payment will be equal to the number of deferred share units and dividend entitlements thereon (if any) in the participant's account as of the Termination Date, multiplied by the fair market value of our common shares determined at the maturity date.

If a participant dies while in office, or after ceasing to hold any position with us and our subsidiaries, partnerships, trusts or other controlled entities but before the maturity date, we must make a lump sum cash payment to the participant's legal representative within 90 days of the participant's death. The cash payment will be equal to the number of deferred share units in the participant's account as of the date of the participant's death, multiplied by the fair market value of our common shares determined at the date of death.

Participants have no further rights respecting any redeemed deferred share units. Deferred share units are deemed cancelled upon redemption.

The deferred share unit plan may be amended, modified or terminated by our board of directors without shareholder approval, subject to any required approval of the Toronto Stock Exchange. Notwithstanding the foregoing, the deferred share unit plan and any deferred share units granted under the plan may not be amended without shareholder approval to: (a) increase the fixed number of common shares available to be issued under outstanding deferred share units at any time; (b) extend the term of any outstanding

deferred share units; (c) permit a holder to transfer or assign deferred share units to a new beneficial holder other than in the case of death of the holder; (d) increase the number of common shares that may be issued to participants above the restrictions in the deferred share unit plan; (e) increase the number of common shares that may be issued to insiders above the restriction contained in the deferred share unit plan; or (f) amend the amendment provision.

In addition, no amendment to the deferred share unit plan or deferred share units granted pursuant to the plan may be made without the consent of the holder, if it adversely alters or impairs any right previously granted to such holder under the deferred share unit plan.

The deferred share unit plan also contains anti-dilution provisions which allow our board of directors to make such adjustments to the plan and to any deferred share units as our board of directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to participants thereunder.

Directors' Summary Compensation Table

The following table sets forth for the year ended December 31, 2018, information concerning the compensation paid to our non-management directors:

Name	Fees Earned and Payable in Cash ⁽¹⁾⁽³⁾ (\$)	Fees Earned and Payable in Share Based Awards ⁽²⁾⁽³⁾⁽⁴⁾ (\$)	Other Share Based Awards ⁽⁵⁾ (\$)	Total (\$)
Keith A. MacPhail	-	126,000	48,576	174,576
Ronald J. Eckhardt	-	70,800	48,576	119,376
Pentti O. Karkkainen	-	89,000	48,576	137,576
Ronald J. Poelzer	87,850	-	48,576	136,426
Brian G. Shaw	35,400	35,400	48,576	119,376
Sheldon B. Steeves	74,100	-	48,576	122,676
Deborah S. Stein	87,150	-	48,576	135,726
Grant A. Zawalsky ⁽⁶⁾	39,950	39,950	48,576	128,476

Notes:

- (1) Represents fees earned and payable in cash during the year, regardless of when paid.
- (2) Represents fees earned and payable in deferred share units regardless of when paid.
- (3) In May of 2016, we implemented our deferred share unit plan which allows our directors to take all or a portion of their annual board and committee retainers and meeting attendance fees in the form of cash or deferred share units. Each deferred share unit represents the right to receive a cash payment equivalent to the fair market value of our common shares, or in the case of a deferred share issued in lieu of board and committee retainers and meeting fees only, at our election, a common share issued from treasury.
- (4) These share-based awards consist of deferred share units granted to the director in lieu of cash fees. The value is calculated based on our weighted average share price for the five trading days immediately preceding the date the deferred share unit was awarded.

- (5) These share-based awards consist of deferred share units which are determined and awarded semi-annually. The value is calculated based on our weighted average share price for the five trading days immediately preceding the date the deferred share unit was awarded (\$9.43 and \$4.46 respectively).
- (6) Mr. Zawalsky is the Managing Partner Burnet, Duckworth & Palmer LLP who provide legal services to us.
- (7) We do not provide pension benefits, non-equity incentives or other compensation to non-management directors and have not granted option-based awards to our non-management directors since 2014.

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

The following table sets forth for each non-employee director, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2018:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of share based awards units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Keith A. MacPhail	5,000	8.79	⁽²⁾	-	-	-	297,004
Ronald J. Eckhardt	5,000	8.79	⁽²⁾	-	-	-	203,784
Pentti O. Karkkainen	5,000	8.79	⁽²⁾	-	-	-	249,423
Ronald J. Poelzer	5,000	8.79	⁽²⁾	-	-	-	111,413
Brian G. Shaw	10,000	9.57	⁽³⁾	-	-	-	163,437
Sheldon B. Steeves	5,000	8.79	⁽²⁾	-	-	-	99,711
Deborah S. Stein	-	-		-	-	-	99,711
Grant A. Zawalsky	5,000	8.79	⁽²⁾	-	-	-	156,301

Notes:

- (1) Calculated based on the difference between the market price of our common shares at December 31, 2018 of \$4.08 and the exercise price of the options.
- (2) These options expire on September 16, 2019.
- (3) 50% of these options expire on May 10, 2019, and May 9, 2020, respectively.

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

Name	Share-based awards granted in lieu of cash fees – Value vested during the year ⁽¹⁾ (\$)	Other Share-based awards – Value vested during the year ⁽²⁾ (\$)
Keith A. MacPhail	126,000	48,576
Ronald J. Eckhardt	70,800	48,576
Pentti O. Karkkainen	89,000	48,576
Ronald J. Poelzer	-	48,576
Brian G. Shaw	35,400	48,576
Sheldon B. Steeves	-	48,576
Deborah S. Stein	-	48,576
Grant A. Zawalsky	39,950	48,576

Notes:

- (1) These share-based awards consist of deferred share units granted to the director in lieu of cash fees. The value is calculated based on our weighted average share price for the five trading days immediately preceding the date the deferred share unit was awarded.
- (2) These share-based awards consist of deferred share units which are determined and awarded semi-annually. The value is calculated based on our weighted average share price for the five trading days immediately preceding the date the deferred share unit was awarded (\$9.43 and \$4.46 respectively).
- (3) We have not granted option-based awards to our non-management directors since 2014.

CORPORATE GOVERNANCE PRACTISES

Independence

Our Chair is independent and the majority of our board of directors is independent. Our board of directors has determined that Messrs. Eckhardt, Karkkainen, MacPhail, Poelzer, Shaw, Steeves and Zawalsky and Ms. Stein are independent.

Our board has determined that Mr. Wright is not independent as he is our President and Chief Executive Officer.

Mr. Zawalsky is the Managing Partner of Burnet, Duckworth & Palmer LLP who provides legal services to us. Our board has concluded that Mr. Zawalsky is independent and capable of exercising independent judgement after considering, among other things:

- that the fees charged by Burnet, Duckworth & Palmer LLP to us are less than 1% of Burnet, Duckworth & Palmers LLP's total income;
- his equity interest in Burnet, Duckworth & Palmer LLP;
- his common share ownership position and personal financial circumstances; and
- the statutory guidance with respect to the meaning of independence contained in National Instrument 58 101 – *Disclosure of Corporate Governance Practises*.

Our independent board members conduct "in-camera" sessions as part of the agenda of all board and committee meetings, generally immediately following the scheduled business.

The following directors are presently directors of other issuers that are reporting issuers (or the equivalent):

Name	Names of Other Issuers
Keith A. MacPhail	Bonavista Energy Corporation and Cenovus Energy Inc.
Ronald J. Eckhardt	Athabasca Oil Corporation
Pentti O. Karkkainen	AltaGas Ltd.
Ronald J. Poelzer	Bonavista Energy Corporation
Brian G. Shaw	Encana Corp.
Sheldon B. Steeves	Enerplus Corporation and PrairieSky Royalty Ltd.
Deborah S. Stein	Parkland Fuel Corporation and Trican Well Service Ltd.
Jonathan A. Wright	None
Grant A. Zawalsky	PrairieSky Royalty Ltd., Whitecap Resources Inc. and Zargon Oil & Gas Ltd.

Board Mandate

Our board is responsible for our stewardship with oversight in several key areas including vision, strategy and leadership, risk management, succession planning, and corporate governance practises. The board's duties are set out in the Board Mandate which is found in Schedule A and on our website at www.nuvistaenergy.com.

Our board, in part, performs its mandated responsibilities through the activities of its five committees: the Audit Committee, Compensation Committee, Reserves Committee, Governance and Nominating Committee and Executive Committee. Our board has accepted overall responsibility for health, safety and environment and no separate committee has been established to deal with these issues. Each of the six committees has their own mandate as described below.

Committee Membership and Responsibilities

Set forth below is information with respect to each of the committees of our board, including membership and a brief description of their board approved mandate which outlines the roles and responsibilities of the committee. The full text of the mandate of each committee is available on our website www.nuvistaenergy.com.

Audit Committee	
Current Members	<p>All members of the Audit Committee are independent and financially literate.</p> <ul style="list-style-type: none"> • Deborah S. Stein (Chair) • Pentti O. Karkkainen • Ronald J. Poelzer • Brian G. Shaw
Membership changes during 2018	There were no changes to the composition of the Audit Committee during 2018.
Mandate	<p>The committee's mandate includes:</p> <ul style="list-style-type: none"> • reviewing our annual audited financial statements and the auditors' report thereon and related public disclosure documents prior to submission to the board for approval; • reviewing our quarterly financial statements prior to submission to the board for approval; • reviewing the scope of external and internal audits; • reviewing and discussing accounting and reporting policies and changes in accounting principles; • reviewing our internal control systems and procedures; and • overseeing the work of the external auditors and meeting with the external auditors independently of our management.
	<p>This committee is required to be composed of at least three individual members appointed by our board from amongst its members, all of which are to be independent within the meaning of National Instrument - 52-110 - <i>Audit Committees</i>.</p> <p>There were no substantive changes to the mandate of the Audit Committee in 2018.</p>

For more information relating to the background of the Audit Committee members, see *Biographies of our Directors* above under *Matters to be Acted Upon at the Meeting*.

The Audit Committee pre-approves all audit and non-audit services performed by our external auditor. For more information relating to the fees billed by our external auditor for audit services in 2018 and 2017, see *Appointment of Auditors* above under *Matters to be Acted Upon at the Meeting*.

Compensation Committee	
Current Members	<p>All members of the Compensation Committee are independent.</p> <ul style="list-style-type: none"> • Pentti O. Karkkainen (Chair) • Keith A. MacPhail • Deborah S. Stein
Membership changes during 2018	There were no changes to the composition of the Compensation Committee during 2018.
Mandate	<p>The committee's mandate includes:</p> <ul style="list-style-type: none"> • determining compensation and terms of employment for executives, including the granting of common shares and incentives; • approving our compensation and variable pay plans; and • assessing, at least annually, the compensation and terms of employment of our President and Chief Executive Officer. <p>This committee is required to be composed of at least three individual members appointed by our board from amongst its members, all of which are to be independent within the meaning of National Instrument 58-101 - <i>Disclosure of Corporate Governance Practises</i>.</p> <p>There were no substantive changes to the mandate of the Compensation Committee in 2018.</p>

See *Corporate Governance Practises – Committee Membership and Responsibilities* for more information in relation to the role of our Compensation Committee in determining executive compensation.

For more information relating to the background of the Compensation Committee members, see *Biographies of our Directors* above under *Matters to be Acted Upon at the Meeting*.

Reserves Committee	
Current Members	<p>All members of the Reserves Committee are independent.</p> <ul style="list-style-type: none"> • Ronald J. Eckhardt (Chair) • Keith A. MacPhail • Sheldon B. Steeves
Membership changes during 2018	There were no changes to the composition of the Reserves Committee during 2018.

Reserves Committee	
Mandate	<p>The Reserves Committee's mandate with respect to reserves includes, in consultation with our senior engineering management:</p> <ul style="list-style-type: none"> • reviewing management's recommendations for the appointment of the independent engineers; • reviewing the terms of the independent engineers' engagement and the appropriateness and reasonableness of the proposed fees; • reviewing the scope and methodology of the independent engineers' evaluation; • reviewing any significant new discoveries, additions, revisions and acquisitions; • reviewing assumptions and consistency with prior years; • reviewing any problems experienced by the independent engineer in preparing the reserve report, including any restrictions imposed by management or significant issues on which there was a disagreement with management; and • reviewing all public disclosure documents containing reserve information prior to its release, including, the annual report, the annual information form and management's discussion and analysis. <p>This committee is required to be composed of at least three individual members appointed by our board from amongst its members, all of which are to be independent within the meaning of National Instrument 51-101 - <i>Standards of Disclosure for Oil and Gas Activities</i>.</p> <p>There were no substantive changes to the mandate of the Reserves Committee in 2018.</p>

Governance and Nominating Committee	
Current Members	<p>All members of the Governance and Nominating Committee are independent.</p> <ul style="list-style-type: none"> • Grant A. Zawalsky (Chair) • Ronald J. Poelzer • Sheldon B. Steeves
Membership changes during 2018	<p>There were no changes to the composition of the Governance and Nominating Committee during 2018.</p>
Mandate	<p>The Governance and Nominating Committee's mandate includes:</p> <ul style="list-style-type: none"> • assessing our corporate governance practises and making recommendations to the board with respect to corporate governance practises; • establishing a nomination process and making recommendations to the board with respect to the nomination of directors; and • assessing, at least annually, the effectiveness of the board and its committees. <p>This committee is required to be composed of at least three individual members appointed by our board from amongst its members, all of which are to be independent within the meaning of National Instrument 58-101 - <i>Disclosure of Corporate Governance Practises</i>.</p> <p>There were no substantive changes to the mandate of the Governance and Nominating Committee in 2018.</p>

Executive Committee	
Current Members	<p>All members of the Executive Committee are independent other than Mr. Wright.</p> <ul style="list-style-type: none"> • Keith A. MacPhail (Chair) • Ronald J. Poelzer • Jonathan A. Wright • Grant A. Zawalsky
Membership changes during 2018	<p>There were no changes to the composition of the Executive Committee during 2018.</p>
Mandate	<p>The Executive Committee's mandate includes:</p> <ul style="list-style-type: none"> • reviewing material items impacting our affairs and the energy industry, which may include relevant and material operational updates from time to time. The meeting topics concentrate on our strategic issues/decisions; • monitoring and influencing strategic direction by bringing its expertise to bear in dealing with value enhancement opportunities and/or challenges of our business; and • defining and resolving material business opportunities/issues as identified and required by our Chief Executive Officer or Chief Financial Officer. <p>There were no substantive changes to the mandate of the Executive Committee in 2018.</p>

Meeting Attendance

The following is a summary of attendance of our directors at meetings of our board and its committees for 2018:

Name	Committee Meetings Attended						Total Board and Committee Meeting Attendance
	Board Meetings Attended	Audit	Reserves	Governance and Nominating	Compensation	Executive	
Ronald J. Eckhardt	11/11	4/4 ⁽¹⁾	3/3	2/2 ⁽¹⁾	3/3 ⁽¹⁾	-/-	100%
Pentti O. Karkkainen	11/11	4/4	3/3 ⁽¹⁾	2/2 ⁽¹⁾	3/3	-/-	100%
Keith A. MacPhail	11/11	4/4 ⁽¹⁾	3/3	2/2 ⁽¹⁾	3/3	15/15	100%
Ronald J. Poelzer	11/11	4/4	3/3 ⁽¹⁾	2/2	3/3 ⁽¹⁾	15/15	100%
Brian G. Shaw	11/11	4/4	3/3 ⁽¹⁾	2/2 ⁽¹⁾	3/3 ⁽¹⁾	-/-	100%
Sheldon B. Steeves	11/11	4/4 ⁽¹⁾	3/3	2/2	3/3 ⁽¹⁾	-/-	100%
Deborah S. Stein	11/11	4/4	3/3 ⁽¹⁾	2/2 ⁽¹⁾	3/3	-/-	100%
Jonathan A. Wright	11/11	4/4 ⁽¹⁾	3/3 ⁽¹⁾	2/2 ⁽¹⁾	3/3 ⁽¹⁾	15/15	100%
Grant A. Zawalsky	11/11	4/4 ⁽¹⁾	3/3 ⁽¹⁾	2/2	3/3 ⁽¹⁾	15/15	100%

Note:

- (1) Attendance by non-committee member.

Board Nominations and Diversity Policy

Our Governance and Nominating Committee has the responsibility for establishing a nomination process and making recommendations to the board with respect to nomination of directors. See *Corporate Governance Practises – Governance and Nominating Committee* for a summary of the committee's mandate. The Governance and Nominating Committee is composed entirely of independent directors. In accordance with the mandate of the Governance and Nominating Committee, the guidelines include considering what competencies and skills the board, as a whole, should possess, the competencies and skills the board considers each existing director to possess and the competencies and skills each proposed nominee will bring to the board as well as whether the new nominee can devote sufficient time and resources to his or her duties as a member of the board. In seeking nominees, the Governance and Nominating Committee encourages input from all members of the board and may use the services of professional recruiters if required.

In 2019, we adopted an amended policy regarding board diversity which recognizes the benefits of having a diverse board of directors and that the nomination and appointment of candidates which provide for multiple perspectives, skills, expertise, industry experience and personal characteristics such as age, gender, ethnicity and other distinctions, all contribute to our continued success. These differences will be considered in determining the optimum composition of the board and when possible will be balanced appropriately. For purposes of board composition, diversity includes, but is not limited to, business experience, geography, age, gender and ethnicity and aboriginal status. In particular, our policy provides that the board should include women directors. We are committed to a merit based system for board

composition within a diverse and inclusive culture which solicits multiple perspectives. When assessing board composition or identifying suitable candidates for appointment or re-election to the board, we will consider candidates on merit against objective criteria having due regard to the benefits of diversity and the needs of the board including the existing level of representation of women on the board.

Our board of directors recognize the benefits of diversity and has established a minimum target of 20% female representation on our board by 2021. Of our nine directors, one woman is currently serving on our board, which represents 11% of our directors.

In considering suitable candidates for appointment or re-election to the board and to assist us in attaining our targeted representation, the Governance and Nominating Committee will:

- consider all aspects of diversity to enable the Governance and Nominating Committee to discharge its duties and responsibilities effectively;
- assess the skills and backgrounds collectively represented on the board;
- consider candidates on merit against objective criteria having due regard to the benefits of diversity on the board; and
- engage, as deemed necessary, qualified independent external advisors to identify and assess candidates that meet the board's skills and diversity criteria.

To assess our effectiveness in promoting a diverse board, which includes an appropriate number of women directors, the Governance and Nominating Committee will annually review the skills, expertise, experience, independence and background of the board, committees and each of its individual directors to ensure that the composition of the board and committees and the skills and competencies of the members are in line with those that the Governance and Nominating Committee considers that the board and respective committees should possess. In addition, the Governance and Nominating Committee will review the number of women considered or brought forward as potential nominees for board positions when the board is looking to add additional members or replace existing members and will evaluate the skills, knowledge, experience and character of any such women candidates relative to other candidates to ensure that women candidates are being fairly considered relative to other candidates.

Any search firm engaged to assist the committee in identifying candidates for appointment to the board will be specifically directed to include diverse candidates generally, and multiple women candidates in particular. The Governance and Nominating Committee will maintain an "evergreen list" of potential board nominees. In establishing the "evergreen list" the committee will consider the criteria outlined in the skills matrix and board diversity.

In addition, each year the Governance and Nominating Committee will: (i) assess the effectiveness of the board diversity policy and related objectives; (ii) monitor and review our progress in achieving our aspirational target for gender diversity; (iii) monitor the implementation of the diversity policy; and (iv) report to the board and recommend any revisions that may be necessary.

Board Assessment

We have a formal process of assessing our board and its committees and the individual directors, under the direction of the Governance and Nominating Committee. Our process consists of an annual written director self-assessment completed by all directors as well as one-on-one personal interviews conducted by our Chair and lead director with each member of the board. The board has satisfied itself that the board, its committees and individual directors are performing effectively through this process. The most recent board effectiveness survey was completed in March of 2019 and our board of directors has determined that the required skills are well represented by the current slate of director nominees for election at the meeting.

Director Orientation and Continuing Education

Upon joining our board, a new director is provided with a directors' information binder which includes a copy of all board and committee mandates, corporate policies, relevant position descriptions, organizational structure, the structure of the board and its committees, by-laws as well as agendas and minutes for board and committee meetings for the preceding 12 months. In addition, any new director will receive presentations with respect to our operations. As part of continuing education, our board receives management presentations with respect to the operations and risks of our business at least four times per year, with a more significant presentation provided in conjunction with the annual budgeting process and annual strategic planning meeting with all directors and officers in attendance. In addition, the individual directors identify their continuing education needs through a variety of means, including discussions with management and at board and committee meetings. In 2018, we conducted a field trip including a tour of production facilities, well pads, and an active well fracture stimulation operation.

Ethical Business Conduct

Our board has adopted a Code of Business Conduct and Ethics, a copy of which is available to review at www.sedar.com and on our website at www.nuvistaenergy.com. Each employee, officer and director confirms annually that he or she has read, understood and complied with the code. Any reports of variance from the code are reported to the board.

Our board has also adopted a whistleblower policy which provides our directors, officers, employees and consultants and the general public with the ability to report, on a confidential and anonymous basis, any violations within our organization including (but not limited to), falsification of financial records, unethical conduct, harassment or theft. Our board believes that providing a forum for employees, officers, directors and others to raise concerns about ethical conduct and treating all complaints with the appropriate level of seriousness fosters a culture of ethical conduct.

Position Descriptions

Our board has developed position descriptions for each of the Chair, the Lead Director, the President and Chief Executive Officer and the chair of each committee of our board.

Executive Succession Planning and Diversity Policy

Our board has developed a formal succession plan process for each of the executive officers, including the President and Chief Executive Officer. Our process includes:

- The presentation of formal written succession plans to the Compensation Committee and board of directors;
- The succession plans include details around each possible successor's competencies and areas requiring development, as well as a timeline and development plan;
- These plans are reviewed by the board annually with the Chief Executive Officer; and
- The board reviews the Chief Executive Officer's plan in an in-camera meeting of the independent directors.

Our board receives regular updates on the status of the succession plans and the professional development of individuals within our organization. Consistent with our board diversity policy, our board believes that the appointment of executive officers should be made on the basis of the skills, knowledge, experience and character of individual candidates and the requirements of the particular position. We believe that considering the broadest group of individuals who have the skills, knowledge, experience and character required to provide the leadership needed to achieve our business objectives is in our best interests and all of our stakeholders. We currently do not have any women serving in an executive officer position, although we have four women in management positions, which represent approximately 22% of our management positions. Although no quotas or targets have been imposed, we will strive to add female representation to our executive when considering female appointments. This will be effected in part by ensuring that qualified female candidates are proactively sought out for consideration alongside any male candidates.

Retirement Policy / Board Tenure

We do not have a formal retirement policy for our directors or officers or a policy for term limits for our directors. We believe it is important that directors understand our industry and our business and this requires a certain length of tenure on our board. We also want diverse viewpoints and those often come from newer directors.

Our Governance and Nominating Committee considers both the term of service of individual directors, the average term of the board as a whole and turnover of directors over the prior three years when proposing a slate of nominees. The committee considers the benefits of regular renewal in the context of the needs of the board at the time and the benefits of the institutional knowledge of the board members.

As at December 31, 2018, our board was comprised of nine directors with an average tenure of nine years. The tenure of the directors currently on our board is summarized below:

- Four of our directors (44 percent) have been on our board for a period of more than ten years;
- One of our directors (12 percent) has been on our board for a period of six to ten years; and
- Four of our directors (44 percent) have been on our board for five years or less.

EXECUTIVE COMPENSATION

Identification of Named Executive Officers

We are required to disclose the compensation paid to our Chief Executive Officer, Chief Financial Officer, and each of the three other most highly compensated executive officers whose total annual compensation was more than \$150,000. For the year ended December 31, 2018 our named executive officers or NEOs were Jonathan Wright our President and Chief Executive Officer, Ross Andreachuk our Vice President, Finance, Chief Financial Officer and Corporate Secretary, Michael Lawford our Chief Operating Officer, Kevin Asman our Vice President, Marketing, and Josh Truba our Vice President, Land and Business Development.

Compensation Objectives and Philosophy

We have developed an executive compensation strategy built on offering a competitive compensation package, which is oriented toward developing a culture of ownership by providing long term equity-based incentives. As a result, the awarding of stock options and share awards is a significant component of our executive compensation. This approach is based on the assumption that our common share price performance over the long term is an important indicator of long term performance.

Our compensation philosophy is based on the following fundamental principles:

- Our compensation programs must be aligned with shareholder interests by aligning the goals of executives with maximizing long term shareholder value;
- Our compensation to NEOs must be performance sensitive by linking compensation to our operating and market performance; and
- Our compensation programs must be market competitive in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

Compensation Risk and Risk Mitigation

In establishing our executive compensation program our Compensation Committee considers the implication of the risks associated with our compensation program, including:

- The risk of executives taking inappropriate or excessive risks;
- The risk of inappropriate focus on achieving short term goals at the expense of long term return to shareholders;
- The risk of encouraging aggressive accounting practises; and
- The risk of excessive focus on financial returns and operational goals at the expense of regulatory, environmental and health and safety.

While no program can fully mitigate these risks we believe that many of these risks are mitigated by:

- Weighting our long term incentives towards share ownership and vesting our long term incentives over a number of years;
- Awarding a significant portion of long-term incentive compensation in the form of performance share awards which, through the payout multiplier, provide a direct link between corporate performance and the level of payout received. If threshold performance is not met, the payout multiplier will be 0x and no payouts will be made under the performance share awards.
- Annual variable pay is determined by a combination of both corporate and individual performance. If a minimum threshold performance is not met, the payout could be zero and no variable pay payment would occur.
- Avoiding narrowly focused performance goals which may encourage loss of focus on providing long term shareholder return and retaining adequate discretion to ensure that our Compensation Committee and board retain their business judgement in assessing actual performance;
- Establishing a formal recoupment or "clawback" policy pursuant to which some or all incentive awards made to executives are subject to recoupment in the event of an accounting restatement resulting from misconduct;
- Establishing share ownership guidelines and imposing short selling and restrictions; and
- Establishing a strong "tone at the top" for accounting, regulatory, environmental and health and safety compliance.

Incentive Plan Design

The ability of our Compensation Committee to consider factors such as personal contributions to corporate performance and non-financial, non-production or non-reserves based elements of corporate performance allows the Compensation Committee to consider whether executive officers have attempted to bolster short term results at the expense of our long term success in determining executive compensation. In addition, as the compensation program consists of fixed (base salary) and variable (annual cash variable pay and long term incentive plan grants), the incentive for short term risk taking is balanced with the incentive to focus on generating long term sustainable value for shareholders. Stock options, restricted share awards and performance share awards which make up a significant portion of an executive officer's total compensation, generally vest over a period of time, which acts to further mitigate against the potential and inappropriate short term risk taking. There are no compensation policies and practises that are structured significantly different for any named executive officers. Our Compensation Committee and board of directors will continue to monitor compensation risk assessment practises on an ongoing basis to ensure that our compensation program is appropriately structured.

Clawback Policy

We have implemented a formal recoupment or "clawback" policy on executive incentive compensation, including, without limitation, variable pay, stock options, restricted share awards and performance share awards, that may be awarded to our Chief Executive Officer and any of our Vice-President's including our named executive officers when (i) any of these executives engages in willful misconduct or fraud which causes or significantly contributes to a restatement of our financial statements due to material noncompliance with any applicable financial reporting requirement under securities laws, (ii) the executive receives incentive compensation calculated on the achievement of those financial results, and (iii) the incentive compensation received would have been lower had the financial statements been properly reported. The policy provides that when a clawback is triggered, our board may, in its sole discretion and to the extent that it determines it is in our best interests to do so, require the executive to repay the amount of incentive compensation relating to the year(s) subject to the restatement (or received upon exercise or payment of incentive compensation in or following the year(s) subject to the restatement that is in excess of the incentive compensation the executive would have received if the incentive compensation had been computed in accordance with the results as restated, calculated on an after tax basis. In addition, the executive is required to repay any profits realized from the sale of our securities during a 12 month period from the date that the original financial statements that are subsequently restated were filed.

Short Selling Restrictions

Our directors and officers are not permitted to knowingly sell, directly or indirectly, any of our securities that he or she does not own or has not fully paid for. Directors and officers may not: (i) sell a call option or buy a put option in respect of our common shares or any other of our securities; (ii) enter into any financial instrument or other transaction designed to hedge or offset a decrease in the market value of our common shares; or (iii) enter into any other derivative instruments, agreements, arrangements or understanding (commonly known as equity monetization transactions) the effect of which is to alter, directly or indirectly, the director's or officer's economic interest in our securities, or the director's or officer's economic exposure to us.

Notwithstanding these prohibitions, solely in connection with the administration of our compensation plans, our directors and officers are permitted to sell through our compensation agent, currently Solium Capital Inc., common shares that are not yet owned by such director or officer provided that he or she holds stock options or other compensation related rights to acquire an equivalent number of our common shares and such director or officer has provided a notice of exercise for such stock options or other compensation rights to our compensation agent in order to facilitate the orderly settlement of such options or rights.

Share Ownership Requirements - Executives

Our executive officers are required to maintain a significant equity investment in us to align their interests with those of our shareholders and mitigate against the likelihood of undue risk taking. Our share ownership guidelines establish minimum share ownership levels for executives based on a multiple of their salary and executive level. See *Ownership Guidelines*.

Compensation Governance and Decision Making Process

The purpose of our Compensation Committee is to assist our board in fulfilling its responsibilities by monitoring our compensation plans and practises and ensuring their congruence with our objectives and goals by assessing and making recommendations regarding compensation, benefits, short and long term incentive programs and employee retention. The compensation packages awarded to our executives is substantively the same as that provided to the rest of our employees, varying only with respect to the level of compensation provided in order to remain competitive with executives within our industry. This is intended to ensure that the interests of all of our employees are aligned internally, and with the long term interests of our shareholders. Although the discussion below focuses upon our named executive officers, the same approach is broadly used for all staff. The more senior the staff, the higher the portion of "at risk" pay. Particularly at the most senior levels (executive), corporate performance target achievements are weighted more highly than personal performance although both are considered. Our Compensation Committee is currently composed of three independent directors, Mr. Karkkainen (Chair), Ms. Stein and Mr. MacPhail. As described under *Biographies of our Directors* above each member of our Compensation Committee has direct experience in establishing and operating executive and corporate compensation programs.

Our Chief Executive Officer presents recommendations to the Compensation Committee regarding the total budget for salary adjustments, variable pay amounts and long term incentives for all non-executive employees. Specific salary, variable pay and long term incentive recommendations for each of our executive members are presented by our Chief Executive Officer to the Compensation Committee and recommendations are made by the Compensation Committee to our board. The Compensation Committee also makes specific recommendations to our board on our Chief Executive Officer's salary, variable pay and long term incentive awards. Our board reviews all recommendations of the Compensation Committee before final approval. Any director who is also an officer is excused from the directors' meeting during any discussion of their compensation. Recommendations and approvals regarding executive salary, variable and long term incentive awards are made at the same time as that for all of our employees.

Analysis of Compensation Practises of Competitors

Aggregate compensation for each NEO is designed to be competitive. In order to assess the market competitiveness of our executive compensation programs and assist the Compensation Committee in its evaluation of compensation, we participate in the annual Mercer Total Compensation Survey for the Petroleum Industry and compare to companies with production rates of between 10,000 and 100,000 barrels of oil equivalent ("Boe") per day. In addition, we review specific publicly disclosed compensation data from selected publicly traded peer companies. For the purpose of compensation comparisons, we select peer oil and gas companies from the Toronto Stock Exchange with market capitalization which range in size from 0.5 to 3.0 times ours.

In 2018, we considered data from for the following twenty publicly traded companies:

Advantage Oil & Gas Ltd.	Obsidian Energy Ltd.
Athabasca Oil Corp.	Painted Pony Energy Ltd.
Baytex Energy Corp.	Paramount Resources Ltd.
Birchcliff Energy Ltd.	Parex Resources Inc.
Bonavista Energy Corporation	Pengrowth Energy Corporation
Bonterra Energy Corp.	Peyto Exploration & Development Corp.
Cardinal Energy Ltd.	Storm Resources Ltd.
Crew Energy Inc.	Surge Energy Inc.
Enerplus Corporation	TORC Oil & Gas Ltd.
Kelt Exploration Ltd.	Whitecap Resources Inc.

The purpose of reviewing the Mercer and peer company data was to:

- understand the competitiveness of current salaries, variable payment levels and long term incentives for each executive position relative to companies of similar size;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short and long term incentive awards.

Elements of Compensation and Compensation Mix

Our executive compensation consists of essentially four components: (1) base salary; (2) variable pay - an annual payment for short term incentive; (3) long term incentive compensation; and (4) other benefits, as more fully described in the table below:

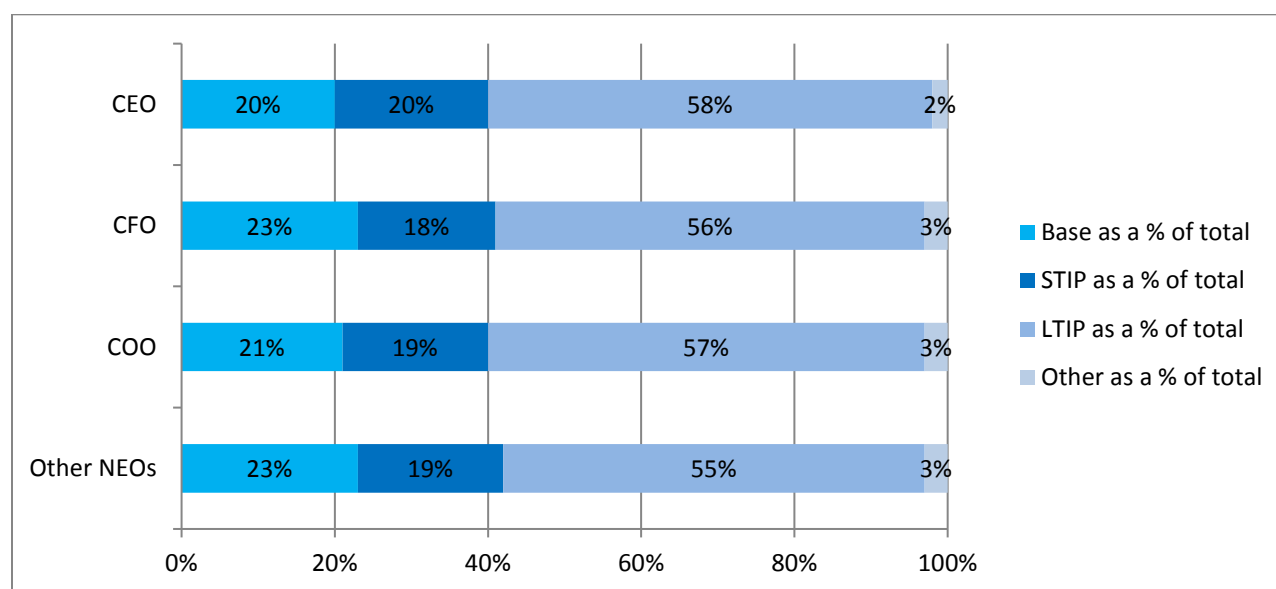
	Not at Risk Compensation		At Risk Compensation	
	Base Salary	Other Benefits	Variable Pay	Long Term Incentives
Description	Fixed amount of pay for day to day work	Includes health benefits, insurance, Employee Stock Savings Plan and parking	Lump sum cash payment for prior calendar year performance	Long term incentives are split with 50% from stock options, 20% from restricted share awards ("RSAs") and 30% from performance share awards ("PSAs")
Purpose	Compensates for executive's role, experience and performance	To assist in share ownership, the health and the well-being of the executives and their families	To recognize achievement of prior year's corporate and individual performance targets	To align compensation with long term strategy and overall long term corporate performance
Determination	Based on peer market data (including Mercer), performance and scope of duties	Components are based primarily on industry norms and value determined as a percentage of base salary	On corporate and individual performance and achievement of prior year targets	On corporate and individual long term performance versus industry
Timing of Payment or Grant	Bi-monthly (twice per month)	Bi-monthly (twice per month)	Annually	Options, RSAs and PSAs are granted semi-annually and vest as follows: Options – vest in thirds over 3 years, expire 2.5 years after vesting RSAs – cliff vest two years after grant anniversary PSAs – cliff vest three years after grant anniversary

Performance Evaluations

In establishing base salary and long term incentive compensation levels, the Compensation Committee uses current levels of compensation as the starting point and adjusts this based on certain factors including company and individual performance and industry and competitor analysis. By contrast, the annual variable pay amount is a complete reset annually and is based on achievement of annual corporate and individual targets. Depending on those results, the variable pay is pegged at the appropriate point in a predetermined range which is chosen to be competitive with the industry.

"At risk" refers to the fact that the payment is not guaranteed. A significant percentage of each executive's total compensation is comprised of variable pay and long term incentives which are directly linked to corporate and individual performance. The salary component provides a base of secure compensation necessary to attract and retain executive talent and targets the median of the Mercer data for executives. The "at risk" components, variable pay and long term incentives are designed to balance short term performance with our long term interests and motivate the superior performance of both. The long term incentive plan also aligns NEOs with shareholders and helps retain executive talent. Our employee stock savings plan further aligns NEOs with shareholders and allows NEOs to accumulate savings for retirement or other purposes. In line with our overall compensation philosophy that promotes ownership among our executives, a higher proportion of our NEO total compensation is at-risk and tied to our long term performance.

The following chart depicts 2018 at-risk total direct compensation among our NEOs:



Note:

- (1) STIP represents short term incentives (annual variable pay) and LTIP represents long term incentives (long term incentive plan awards includes stock options and share-based awards).

In determining both variable pay and long term incentives, our Compensation Committee reviews an internal scorecard which covers key aspects of our overall corporate performance. Our performance is compared against a variety of financial and operating targets including but not limited to health, safety and environment; absolute and per share growth of: production, adjusted funds flow, and reserves. Greatest weight is given to per share metrics for the long term, however the meeting of absolute annual targets is also considered since appropriate long term funding plans can impact short term per share metrics. Also considered are operating and general & administrative costs per Boe; operating netbacks; finding and development costs and corporate recycle ratio. Greatest weight is given to management controllable items as opposed to those which are more commodity price driven.

As part of the scorecard, the Compensation Committee also considers our annual share price performance both on a standalone basis and versus industry peers, the development and execution of our longer term business strategies and other subjective elements. The Compensation Committee assesses the individual performance of our President and Chief Executive Officer and each of our other officers. Our President and Chief Executive Officer assists the Compensation Committee with the performance assessment of the other officers. This assessment considers both performance against the corporate scorecard described below and performance against specific departmental and personal goals. There is no specific weighting between the NEO's performance against the corporate goals and individual goals however heaviest weight is given to corporate performance, particularly for the CEO.

Corporate Variable Pay Performance Scorecard

The following table outlines our corporate scorecard for 2018 performance versus the 2018 plan, which is used for the purpose of establishing the variable pay multiplier (range of 0 - 1.5 times):

Corporate Variable Pay Scorecard 2018			
Performance Metric	2018 Target	2018 Actual	Status (Red/Yellow / Green)
Health, safety and environment ("HSE")	Various lost time accident, incident, and environment targets	Significant improvement in 2018. All targets were met.	Green
Production – 2018 average (Boe per day)	38,750 – 40,000	40,353	Green
Production growth per weighted average share	22%	23%	Green
Capital expenditures ⁽¹⁾ - \$ millions	\$325 – \$350	\$341	Green
Reserve additions – PDP ⁽²⁾⁽³⁾	18 MMBoe ⁽⁴⁾	22 MMBoe ⁽⁴⁾	Green
Reserve additions – TP+PA ⁽²⁾⁽³⁾	15 MMBoe ⁽⁴⁾	58 MMBoe ⁽⁴⁾	Green
PDP F&D ⁽⁵⁾	\$17.22/Boe	\$14.90/Boe	Green

Corporate Variable Pay Scorecard 2018			
Performance Metric	2018 Target	2018 Actual	Status (Red/Yellow / Green)
Operating expenses per Boe	\$10.30	\$9.75	Green
General & Administrative expenses per Boe	\$1.22	\$1.19	Green
Adjusted funds flow ⁽¹⁾ - \$ millions	\$260 – \$270	\$264	Green
Adjusted funds flow per weighted average share growth ⁽¹⁾	10%	21%	Green
Adjusted funds flow netback per Boe ⁽¹⁾	\$15.03	\$17.96	Green
Share price growth	15%	(49)%	Red
Corporate recycle ratio (PDP and TP+PA) ⁽⁶⁾	1.5x PDP 1.5x TP+PA	1.2x 2.2x	Yellow
Strategic Initiatives			
Advance Montney play and full field development plan	Execution of key 5 year plan initiatives	Yes	Green
Manage egress and processing plan	Continue enhancing plan	Yes	Green
Execute asset divestitures - \$ millions	\$3 – \$10	nil	Red
Manage net debt to adjusted funds flow ratio ⁽¹⁾	1.5 – 2.0x	1.9	Green

Notes:

- (1) Capital expenditures, adjusted funds flow and net debt to adjusted funds flow do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other companies where similar terminology is used. For further information refer to the section "Non-GAAP measures" in our management's discussion and analysis of financial conditions and results of operations for the year ended December 31, 2018. Weighted average share is the average number of common shares outstanding in the year. Adjusted funds flow netback is operating netback less general and administrative, restricted share awards, deferred share units and interest expenses calculated on a Boe basis. Net debt to adjusted funds flow ratio is calculated by dividing net debt by adjusted funds flow. Net debt is calculated as long-term debt plus senior unsecured notes plus adjusted working capital. Adjusted working capital is current assets less current liabilities and excludes the current portions of the financial derivative assets or liabilities, asset retirement obligations and deferred premium on flow through shares.
- (2) Reserve additions reflect 2018 drilling extensions plus technical revisions.
- (3) PDP represents proved developed producing reserves and TP + PA represents total proved plus probable reserves.

- (4) MMBoe means million barrels of oil equivalent.
- (5) Represents finding and developed costs ("**F&D**") for PDP reserves, an oil and gas metric prepared by management, which does not have a standardized meaning or standard method of calculation and therefore may not be comparable to similar measures used by other companies. This finding and development cost calculation includes all exploration and development capital for that period (as outlined in our annual financial statements) plus the change in future development capital for that period. This total capital including the change in the future development capital is then divided by the change in our PDP reserves for that period including revisions for that same period. The aggregate of the exploration and development costs incurred in the most recent financial year and the change during the year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for the year.
- (6) Represents our proved developed producing recycle ratio and total proved plus probable recycle ratio, an oil and gas metric prepared by management, which does not have a standardized meaning or standard method of calculation and therefore may not be comparable to similar measures used by other companies. Proved developed producing recycle ratio has been calculated by dividing 2018 adjusted funds flow netback per Boe by our 2018 proved developed producing (excluding acquisitions) finding and development costs of \$14.90 per Boe and; total proved plus probable recycle ratio has been calculated by dividing 2018 adjusted funds flow netback per Boe by our 2018 total proved plus probable finding and development (including acquisitions) costs of \$8.22 per Boe. Excluding the effect of acquisitions, our total proved plus probable recycle ratio was 2.8x based on a 2018 total proved plus probable finding and development (excluding acquisitions) costs of \$6.43 per Boe. Our 2018 adjusted funds flow netback was \$17.96 per Boe.

When assessing performance, the Compensation Committee and our board do not apply numerical weightings to any of these categories, rather a traffic light system of green/yellow/red is applied. The evaluation of performance also involves the use of informed judgement and consideration of circumstances such as the macroeconomic environment, other external factors and internal constraints in determining overall performance. For the most part, 2018 was a successful year for us on a number of fronts as evidenced by our scorecard. The actual multiplier for variable pay in 2018 was 1.2x compared to the targeted range of 0 - 1.5x.

The key performance highlights in 2018 included the following:

- HSE performance was very strong including a significant reduction in lost time and total recordable injuries as well as injury severity. In addition, our environmental spill frequency improved greatly. Consequently, HSE was assessed with a green light status;
- In March, we issued \$220.0 million aggregate principal amount of 6.5% senior unsecured notes due March 2, 2023. The proceeds were used to redeem the \$70 million existing 9.875% senior unsecured notes and the balance was used to reduce bank indebtedness;
- In September, we completed the acquisition of assets in the Pipestone area of Northwest Alberta (the "**Pipestone Assets**") for \$619.4 million including customary adjustments. The acquisition was funded with our expanded credit facility and the issuance of 47.4 million common shares at a price of \$8.10 per share for gross proceeds of \$384.1 million. We also raised an additional \$29 million through the issuance of common shares on a flow through basis in respect of Canadian Development Expenses for a combined total of \$413 million in gross proceeds;

- In November, we announced a significant step in securing compression, processing and egress for the Pipestone Assets. Commencing in late 2020, a fifteen year processing agreement with an 80% take-or-pay was entered into with Versen Midstream Limited Partnership. The processing capacity will be added in two incremental steps of 50 MMcf/d, each commencing in late 2020 and late 2021. In addition, we have entered into an agreement with a third party shipper for firm transportation service on Alliance Pipeline to Chicago for natural gas sales volumes from the first tranche of raw processing capacity starting late 2020 for a minimum period of 10 years at posted tolls ⁽¹⁾⁽²⁾;
- Achieved adjusted funds flow of \$264 million which resulted in year on year adjusted funds flow per share growth of 21% and adjusted funds flow netback of \$17.96/Boe ⁽³⁾;
- Executed a robust \$341 million capital expenditure program with PDP F&D costs of \$14.90/Boe and a PDP recycle ratio of 1.2x on adjusted funds flow netback and 1.4x on operating netback ⁽³⁾⁽⁴⁾;
- Achieved full year operating expenses under budget at \$9.75/Boe;
- Exited 2018 with a net debt to adjusted funds flow ratio of 1.9 times ⁽³⁾ and;
- Significantly advanced corporate long term strategies including:
 - Further diversified our long term access to downstream gas markets;
 - Continued our commodity price risk management program to underpin ongoing capital programs and to maintain balance sheet strength, and;
 - Drilled and placed on production a successful Lower Montney well to begin evaluating value and growth possibilities in this emerging zone.

Notes:

- (1) The amount and timing of anticipated processing capacity for the Pipestone Assets and firm transportation on the Alliance Pipeline are forward-looking statements. By their nature, forward-looking statements are based upon certain assumptions and are subject to numerous risks and uncertainties, some of which are beyond our control, including, without limitation, those risks considered under “Risk Factors” in our Annual Information Form. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. Our actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements, or if any of them do so, what benefits we will derive therefrom. We have included the forward-looking statements in this information circular – proxy statement in order to provide readers with a more complete perspective on our future operations and such information may not be appropriate for other purposes. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.
- (2) MMcf/d means million cubic feet per day.
- (3) See note (1) on our corporate variable pay scorecard.
- (4) See note (6) on our corporate variable pay scorecard.

Base Salaries

Typically, base salary increases are determined for all employees, including executives in December of each year. The determination of 2018 executive salaries was made in December 2017 and implemented effective January 1, 2018. The economic environment has been volatile and challenging. In light of this, all NEO base salaries had been frozen for the past three years. For base salary, NEOs are targeted approximately to the median of the Mercer and industry peer results. In order to maintain this position our board approved a base salary increase of 2% for most NEOs effective January 1, 2018 with the exception of incremental progression increases for two NEOs, and our board determined to maintain a continued freeze on the salary of our CEO.

Variable Pay

NEO variable pay amounts are targeted at the appropriate point within the pre-specified ranges shown below. Individual placement within the range is dependent on the traffic light results, the board's judgement, and to some extent, the NEO's individual performance. The ranges themselves are selected based on industry competitive analysis for similar roles, and are revisited periodically to ensure continued alignment with industry. By way of example, if the majority of scorecard items were red variable pay would normally be targeted at the bottom of the range or zero. If all were green, then variable pay would be targeted towards the top of the range. However our board also considers industry conditions.

In late 2017 our Compensation Committee commissioned an external study by Lane Caputo Compensation Inc. to determine if the executive compensation system was still appropriate given all the changes in NuVista since inception, and also the changes in industry trends. The recommendation from Lane Caputo Compensation Inc. was that base salary for NEO's is at an appropriate P50 competitive level, but that variable pay and LTIP target ranges should be increased to regain competitiveness given NuVista's performance and size, to bring the total compensation range to be P50 in an average performance year and approximately P75 in a high performance year. After consideration, the Compensation Committee recommended and our board approved those changes effective January 1, 2018. We paid Lane Caputo Compensation Inc. fees of \$30,000 for this work.

The following table sets forth the updated variable pay target ranges for our CEO and the other NEOs. The performance multiplier range to be applied to the table below is 0–1.5x. As previously mentioned, our board approved a performance multiplier for variable pay of 1.2x in 2018. The following table sets forth the variable pay target ranges for our CEO and the other NEOs:

NEO	Target	Actual Multiple
President and CEO	85% of base pay x range (0 - 1.5x)	1.2x
COO	75% of base pay x range (0 - 1.5x)	1.2x
All Other NEOs	65% of base pay x range (0 - 1.5x)	1.2x

Our board approved an overall 2018 company variable pay pool amount of 31.4% of 2018 annual salaries paid to employees including executives, or \$3.6 million.

The following table details the portion of variable pay awarded to our NEOs for 2018 versus 2017:

Name	2018 Variable Pay (\$)	% of 2018 Annual Salary	2017 Variable Pay (\$)	% of 2017 Annual Salary
Jonathan Wright	450,000	99%	455,000	100%
Ross Andreachuk	210,000	78%	220,000	83%
Michael Lawford	256,000	89%	235,000	88%
Kevin Asman	215,000	89%	220,000	95%
Josh Truba	185,000	81%	190,000	85%

Long term Incentives

Our long term incentive plans for our officers and employees currently consist of our stock option plan, share award incentive plan pursuant to which RSAs and PSAs may be granted and employee stock savings plan.

Our non-employee directors are not entitled to participate in any of these plans. We have a separate deferred share unit plan for our non-employee directors. See *Director Compensation* for a summary of our deferred share unit plan.

Our long term incentive plans are designed to align the interests of our employees with shareholders by linking a component of compensation to the long term performance of our common shares. Our directors' deferred share unit plan is the only form of long term incentive for our non-management directors.

Stock options and share awards which consist of RSAs and PSAs are granted to officers, employees and other service providers generally upon commencement of service based on the level of responsibility with us. Our current policy is that additional grants are generally made on a semi-annual basis. Our Compensation Committee is responsible for determining the allocation of long term incentive grants between stock options and share awards. The percentage of stock options received relative to restricted share awards increases with greater levels of responsibility.

Each restricted share award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award on the second anniversary of the date of grant (or such earlier or later dates as may be determined by our board). Each performance share award entitles the holder to an amount computed by the value of a notional number of common shares designated in the award multiplied by a payout multiplier on the third anniversary of the date of grant (or such earlier or later dates as may be determined by our board). The payout multiplier is dependent on our performance relative to pre-defined corporate performance measures for a particular period and can be one of 0x (for fourth quartile ranking), 1x (for third quartile ranking), 1.5x (for second quartile ranking) and 2x (for first quartile ranking) and will be the arithmetic average of the payout multiplier for each of the three preceding fiscal years.

As a result of the compensation study, CEO and NEOs' long term incentives for 2018 were changed to be comprised of a combination of stock options, RSAs and PSAs. This ratio was 50% options, 20% RSAs and 30% PSAs.

We granted 275,921 RSAs, 295,078 PSAs and 2,368,461 stock options to employees during 2018, of which 92,463 RSAs, 138,642 PSAs and 1,001,728 stock options were granted to officers. No RSAs, PSAs or stock options were granted to our non-management directors in 2018.

Prior to the external compensation study, the Compensation Committee adjusted target long term incentive plan levels for our executive team gradually upwards through 2017 in order to move total compensation up from below the market median competitive level indicated by Mercer and competitor data. This was also done in concert with public recognition of the strengthening business plan and execution exhibited by NuVista since 2013. As this was a change to long term incentive plan levels only and not to base and variable pay programs, actual payouts will be dependent on corporate and share value success. This change was made gradually and following an increase to senior professional staff long term incentive plan levels for competitive reasons in 2014.

For the long term incentive portion of total NEO compensation, the amounts targeted are primarily driven by an attempt to maintain long term incentive compensation in or near the second quartile of Mercer and industry peers. However, the data for these amounts are, by nature, annually volatile, so multi-year smoothing and dampening is always required. The exact placement each year is made to maintain the competitive position noted above, taking into account our long term, absolute and relative performance versus our peers, job responsibility, scarcity of skills, and to some extent, personal performance. We also believe that while creating long term retention, our long term incentive payments are also highly aligned with Company and long term shareholder compensation given that actual payouts are entirely tied to share price performance.

The following table sets forth the updated long term incentive target for our CEO and the other NEOs following on from the external compensation study:

NEO	Target
President and CEO	230% of base pay x range (0.7-1.3x)
COO	220% of base pay x range (0.7-1.3x)
All Other NEOs	200% of base pay x range (0.7-1.3x)

The following table details the stock options, restricted share awards and performance share awards granted to each of our NEOs during 2018. The stock options vest over a three year period, with a vesting of one third of the grants at each anniversary date. The restricted share awards cliff vest two years from the date of grant and the performance share awards cliff vest three years from the date of grant.

Name	Number of Stock Options Granted	Number of RSAs Granted	Number of PSAs Granted
Jonathan Wright	287,623	26,976	40,564
Ross Andreachuk	148,843	13,610	20,514
Michael Lawford	177,050	16,145	24,217
Kevin Asman	138,530	12,782	19,123
Josh Truba	124,836	11,475	17,112

PSA Scorecard

The PSA scorecard is different from the variable pay scorecard shown earlier as it is focused on long term evergreen metrics as opposed to current year performance versus current year plan. PSAs cliff vest after three years and the PSA multiplier used at vesting time will be the arithmetic average of the PSA multiplier approved by the board in each of the prior three years, with a range of 0 – 2.0.

Effective January 1, 2018, our Compensation Committee established the PSA corporate performance targets listed in the table below (and the weighting of each measure). In March of 2019, our Compensation Committee met to assess our performance relative to such corporate performance measures and to establish the 2018 PSA payout multiplier. Listed below are the results of the assessment.

2018 PSA Payout Multiplier Scorecard					
Corporate Performance Measure	Results / Quartile Ranking	Weighting	Target Range (0 - 2)	Awarded Rating (0 - 2)	Weighted Score
Health, Safety & Environment	2018 was an excellent year for HSE. Almost all key metrics were met or surpassed	10%	0 – 2.0	1.85	0.185
Production/Share Growth	23%	15%	0 – 20%	2.0	0.30
Corporate PDP Recycle Ratio	1.2x	15%	1.0 – 1.75	0.5	0.075
Debt/Adjusted Fund Flow	1.9x	10%	1.25 – 2.25x	0.7	0.07

2018 PSA Payout Multiplier Scorecard					
Corporate Performance Measure	Results / Quartile Ranking	Weighting	Target Range (0 - 2)	Awarded Rating (0 - 2)	Weighted Score
Progress on strategic initiatives	Enhanced business plan through Pipestone Acquisition, term debt issued, market diversification	30%	0 – 2.0	2.0	0.60
TSR Relative	Share price was down 49%, bottom quartile performance	20%	0 – 2.0	0.3	0.06
Calculated Payout Multiplier					1.29
Final Payout Multiplier (capped due to reduction in share price)					1.00

Notwithstanding our calculated payout multiplier of 1.29 for 2018 based on target achievement, our board capped the payout multiplier at 1.0x. Our policy on PSA's is to cap the score at 1.0x for any year where the share price has reduced from the beginning of year to the end of the year. This reflects a hard limit on increased PSA payouts for any year where there was no return for the shareholder in the form of stock price appreciation.

As the PSA program was just put in place effective January 1, 2018, there will be no RSA payout until 2021. However, the above multiplier of 1.0 will form the first of the three years in that average multiplier result.

Reported Compensation compared to Realized Compensation

Annual realized compensation varies from "as granted" or "reported" annual compensation due to phasing of LTIP encashment and also primarily due to the fact that LTIP is granted based on an assumed Black-Sholes calculation of the value of stock options and share awards. Actual value when encashed is of course dependent on share performance between the grant date and the encashment date.

The following table demonstrates the long term orientation of our executive compensation program by comparing the difference between the reported pay shown in the summary compensation table and the actual pay realized by our current NEOs for the last three years (or the period of time for which they have been a NEO):

Name and principal position	Year	Total Reported "As Granted" Compensation (\$)	Total Realized Compensation ⁽¹⁾ (\$)	Realized vs. Reported Compensation (\$)	Realized as a Percentage of Reported Compensation (%) ⁽²⁾
Jonathan Wright President and Chief Executive Officer	2018	2,258,232	1,376,509	(881,723)	61
	2017	1,988,612	1,328,752	(659,860)	67
	2016	1,690,501	1,173,530	(516,971)	69
Ross Andreachuk Vice President, Finance, Chief Financial Officer and Corporate Secretary	2018	1,166,318	756,021	(410,297)	65
	2017	1,103,678	734,789	(368,889)	67
	2016	894,578	563,434	(331,144)	63
Michael Lawford Chief Operating Officer	2018	1,346,943	856,497	(490,446)	64
	2017	1,145,811	736,617	(409,194)	64
	2016	919,264	765,652	(153,612)	83
Kevin Asman Vice President, Marketing	2018	1,099,444	693,647	(405,797)	63
	2017	949,145	676,684	(272,461)	71
	2016	754,774	512,346	(242,428)	68
Josh Truba Vice President, Land and Business Development	2018	987,220	677,932	(309,288)	69

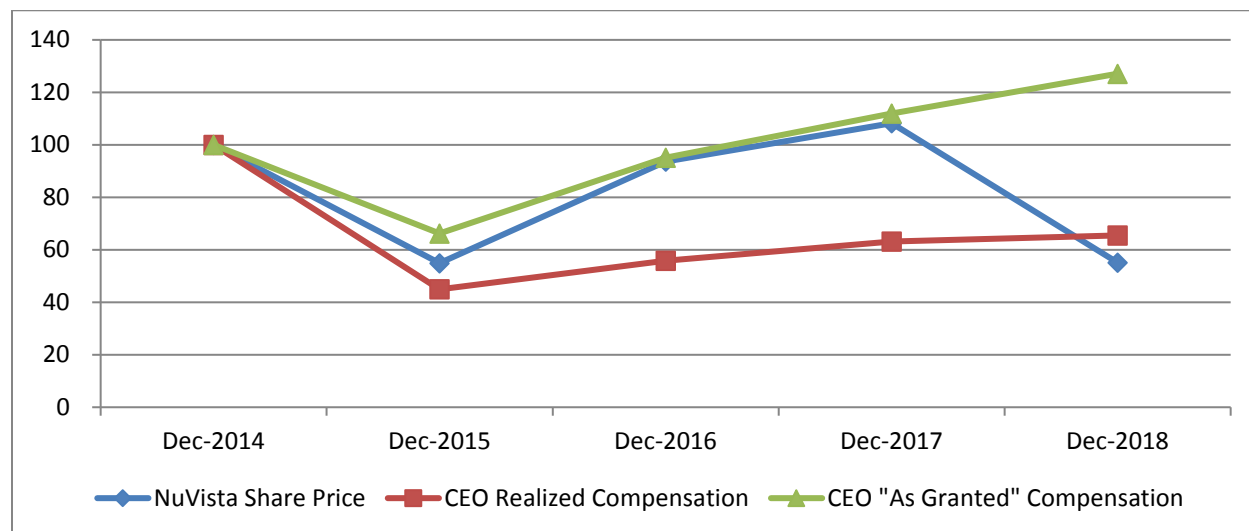
Notes:

- (1) Total realized compensation is based on income as reported on the officer's official tax slip adjusted for variable pay amounts which apply to that year but are not paid until the following January. For example, the 2018 realized compensation above is the officer's income as per their 2018 tax slip minus the variable pay amount paid in January 2018 (which applies to 2017 performance) plus the variable pay amount paid in January 2019 (which applies to 2018 performance).
- (2) This calculation assumes a payout multiplier of 1x for the performance share awards granted in 2018. The actual value realized pursuant to such performance share awards may be greater or less than the indicated value.

The following table shows a breakdown of realized LTIP compensation by our current NEOs in 2018, broken down between share-based awards and option-based awards:

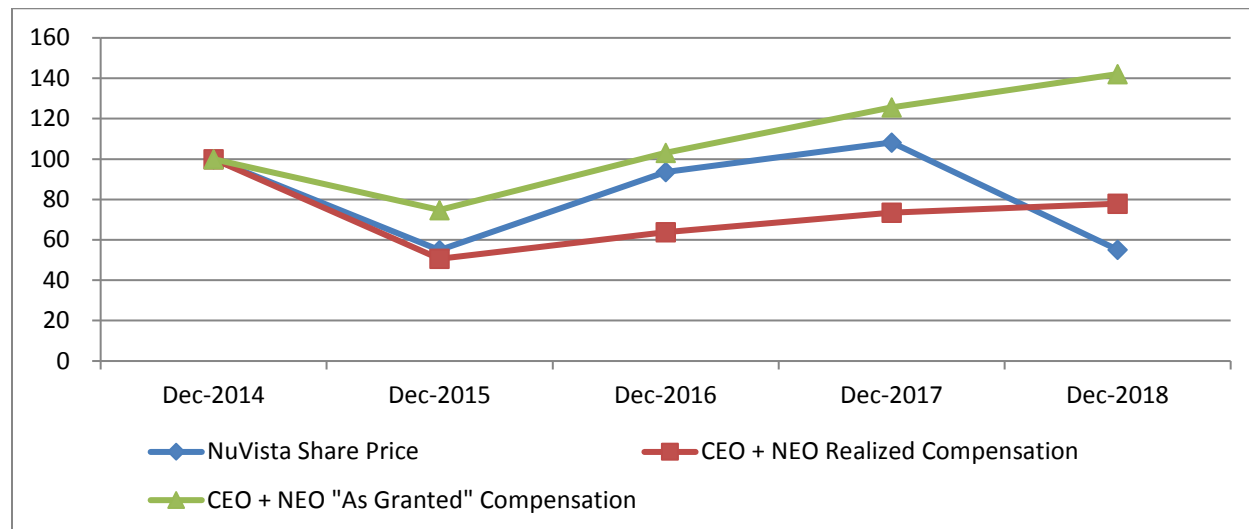
Name and principal position	Realized Value of Option-based Awards (\$)	Realized Value of Share-based Awards (\$)	Total Realized LTIP Value (\$)
Jonathan Wright President and Chief Executive Officer	168,450	253,048	421,498
Ross Andreachuk Vice President, Finance, Chief Financial Officer and Corporate Secretary	96,481	144,325	240,806
Michael Lawford Chief Operating Officer	128,751	149,433	278,184
Kevin Asman Vice President, Marketing	88,942	116,386	205,328
Josh Truba Vice President, Land and Business Development	121,700	113,832	235,532

The following graph demonstrates the long term orientation of our executive compensation program by comparing the difference between the reported pay shown in the summary compensation table and the actual pay realized by our CEO for the last four years, versus our share price performance on a relative basis:



	2014/12	2015/12	2016/12	2017/12	2018/12
NuVista Share Price	100	55	94	108	55
CEO Realized Compensation	100	45	56	63	65
CEO "As Granted" Compensation	100	66	95	112	127

The following graph demonstrates the long term orientation of our executive compensation program by comparing the difference between the reported pay shown in the summary compensation table and the actual pay realized by our CEO and NEOs who have been NEOs for the last four years versus our share price performance on a relative basis.



	2014/12	2015/12	2016/12	2017/12	2018/12
NuVista Share Price	100	55	94	108	55
CEO + NEO Realized Compensation	100	51	64	74	78
CEO + NEO "As Granted" Compensation	100	75	103	126	142

Summary Compensation of NEOs

The following table sets forth the full detail for the years ended December 31, 2018, December 31, 2017 and December 31, 2016, information concerning the "as granted" compensation paid to our NEOs:

Name and principal position	Year	Salary (\$)	Share-based awards ⁽¹⁾⁽²⁾ (\$)	Option-based awards ⁽³⁾ (\$)	Non-equity incentive plan compensation		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans ⁽⁴⁾ (\$)	Long term incentive plans (\$)			
Jonathan Wright President and Chief Executive Officer	2018	455,000	495,304	807,917	450,000	-	-	50,011	2,258,232
	2017	455,000	256,923	768,752	455,000	-	-	52,937	1,988,612
	2016	455,000	240,645	592,795	350,000	-	-	52,061	1,690,501
Ross Andreachuk Vice President, Finance, Chief Financial Officer and Corporate Secretary	2018	270,100	244,122	406,981	210,000	-	-	35,115	1,166,318
	2017	264,800	146,177	437,317	220,000	-	-	35,384	1,103,678
	2016	264,800	137,958	336,542	120,000	-	-	35,278	894,578
Michael Lawford ⁽⁵⁾ Chief Operating Officer	2018	287,500	287,268	481,362	256,000	-	-	34,813	1,346,943
	2017	267,058	153,582	460,332	235,000	-	-	32,839	1,148,811
	2016	265,200	143,202	351,216	125,000	-	-	34,646	919,264
Kevin Asman Vice President, Marketing	2018	242,500	229,802	381,323	215,000	-	-	30,819	1,099,444
	2017	231,500	117,347	349,854	220,000	-	-	30,444	949,145
	2016	231,500	110,553	270,452	110,000	-	-	32,269	754,774
Josh Truba Vice President, Land and Business Development	2018	227,200	204,107	340,713	185,000	-	-	30,200	987,220
	2017	222,700	112,904	336,042	190,000	-	-	28,941	890,587
	2016	222,700	107,931	263,642	95,000	-	-	29,789	719,062

Notes:

- (1) 2018 includes restricted share awards and performance share awards granted to our NEOs. This calculation assumes a payout multiplier of 1x for the performance share awards.
- (2) Based on the grant date fair value of the applicable awards on the date of the grant. Fair value is determined based on the weighted average trading price of the five days preceding the grant date. These amounts are not necessarily reflective of actual amounts that may be realized on exercise. See *Outstanding Share-Based Awards and Option-Based Awards* which reflect the value at December 31, 2018, and *Incentive Plan Awards – Value at Time of Grant versus Value Vested or Earned*.
- (3) Based on the grant date fair value of the applicable options on the date of grant. The fair value of each option granted is determined on the date of grant using the Black-Scholes option pricing model. During 2018, in the pricing model, the average risk free interest rate was 2.2%; volatility of 50.2%; an average expected life of 4.5 years; an estimated forfeiture rate of 11%; and dividends of \$nil per share. These amounts are not necessarily reflective of actual amounts that may be realized on exercise. See *Outstanding Share-Based Awards and Option-Based Awards* which reflect the value at December 31, 2018, and *Incentive Plan Awards – Value at Time of Grant versus Value Vested or Earned*.
- (4) This represents annual cash variable payments to our NEOs.

- (5) Mr. Lawford was promoted to Chief Operating Officer effective December 1, 2017. As such, his base salary was adjusted December 1, 2017.

Long-Term Incentive Plans

The following is a summary of the terms of our stock option plan, share award incentive plan and employee stock savings plan.

Stock Option Plan

A copy of our stock option plan has been filed on our profile on the SEDAR website at www.sedar.com on May 14, 2018, under the category "Other Securityholders Documents".

Purpose

The principal purposes of our stock option plan are: (i) to retain and attract qualified directors, officers, employees and other service providers that we require; (ii) to promote a proprietary interest in us by such persons and to encourage such persons to remain in our employ or service and put forth maximum efforts for the success of our business; and (iii) to focus management on operating and financial performance and long term total shareholder return.

Incentive-based compensation such as our stock option plan is an integral component of our compensation. The attraction and retention of qualified employees has been identified as one of the key risks to our long term strategic growth plan. Our stock option plan is intended to maintain our competitiveness within the Canadian oil and gas industry to facilitate the achievement of our long term goals. In addition, this incentive-based compensation is intended to directly link a component of compensation to the performance of our common shares.

Administration

Our stock option plan is administered by our board and our board has the authority to appoint a committee of the board to administer the stock option plan. In addition, our board may delegate to one or more of its members, to our President and Chief Executive Officer or to one or more agents such administrative duties as it may deem advisable, and the board or any person to whom it has delegated duties as aforesaid may employ one or more persons to render advice with respect to any responsibility the board or such person may have under the stock option plan.

Participants

Under the terms of stock option plan, any of our directors, officers, employees and other service providers may be granted stock options. In determining the persons to whom stock options may be granted and the number of common shares to be granted, our board may take into account such factors as it shall determine in its sole discretion.

Exercise Price

The exercise price of any stock option granted pursuant to the stock option plan must be fixed by our board when the stock option is granted, provided that such price shall not be less than the "market price" of our common shares on the date of the grant. "Market Price", on any date, is defined in the stock option

plan, as the volume weighted average trading price of our common shares on the Toronto Stock Exchange for the five trading days prior to the date of grant (or, if our common shares are not then listed and posted for trading on the Toronto Stock Exchange, such price as is required by such stock exchange in Canada on which our common shares are listed and posted for trading as may be selected for such purpose by our board) and provided that in the event that our common shares are not listed and posted for trading on any stock exchange in Canada, the exercise price shall be determined by the board in its sole discretion. Notwithstanding the foregoing, in certain circumstances, such as when a stock option is offered to an individual as an inducement to secure employment, the exercise price may be otherwise determined, but only with the prior consent of all stock exchanges on which our common shares are at that time listed.

Plan Limits

Our stock option plan currently provides that the maximum number of common shares reserved for issuance from time to time pursuant to outstanding stock options granted and outstanding under the plan may not exceed 9,500,000 common shares.

The aggregate number of common shares issuable pursuant to the stock option plan to any single holder of stock options may not exceed 5% of our outstanding common shares. In addition, in accordance with the rules of the Toronto Stock Exchange, the number of common shares issued to insiders within one year pursuant to the stock option plan, and issuable to insiders at any time, under the stock option plan or when combined with all of our other security based compensation arrangements, may not exceed 10% of our outstanding common shares. In determining the number of common shares issuable within one year for this purpose, the number of common shares will be determined on the basis of the number of common shares that are outstanding immediately prior to the common share issuance, excluding any common shares issued pursuant to share compensation arrangements over the preceding one-year period.

The number of common shares issuable pursuant to the stock option plan to all non-management directors is limited to a maximum of 0.25% of our outstanding common shares and the value of stock options granted to any one non-management directors during a calendar year, as calculated on grant date, shall not exceed \$100,000. Notwithstanding this, our deferred share unit plan is our only form of long term incentive for our non-management directors.

Our stock option plan provides that if any stock option granted under the plan expires, terminates or is cancelled for any reason without the common shares issuable thereunder having been issued in full, such unissued common shares shall be available for the purposes of the granting of further stock options under the plan. Common shares issued upon exercise of stock options are not available for the purposes of the granting of further stock options under the plan.

Vesting

Our board has the sole discretion to determine the time during which stock options will vest and the method of vesting, or that no vesting restriction shall exist either before or after the date of grant.

Expiry

All stock options granted pursuant to the stock option plan will expire on a date determined by our board at the time of the grant provided that no stock option may be exercised beyond six years from the time of the grant. Any stock options which have not been exercised by the applicable expiry date will expire and become null and void.

If the expiry date of any stock option falls within any blackout period imposed by our board, then the expiry date of such stock options will be extended to the date that is ten business days, following the end of such blackout period and if that date is not a business day, such date will be further extended by that number of days required such that the period ends on a business day. Unless approved by the board, no stock options may be exercised by a holder of stock options during a blackout period.

Put Right

Holders of stock options may exercise stock options from time to time by delivering a written notice of exercise specifying the number of common shares with respect to which the stock option is being exercised and accompanied by payment in full of the exercise price of the common shares then being purchased. In addition, holders of stock options have the right (the "Put Right") to request that we purchase each of their vested stock options for a price equal to the difference, if positive, between the market price of our common shares on the day prior to date of notice of exercise of the Put Right and the exercise price of the option. We have the discretion to not accept any exercise of the Put Right. In addition, each holder of stock options that exercises the Put Right may purchase common shares from treasury with the proceeds of the exercise of the Put Right at the market price of our common shares. In certain circumstances as set forth in the stock option plan, a holder of stock options that exercises the Put Right may purchase common shares from us, which may, at our election, be issued on a flow-through basis under the *Income Tax Act* (Canada). The maximum number of common shares available under the Put Right is currently set at 700,000 common shares. To date, we have not issued any common shares pursuant to the exercise of this Put Right.

Financial Assistance

Our stock option plan does not contain any provisions for financial assistance by us in respect of any stock options granted thereunder.

Change of Control

In the event of a "change of control" of us, the expiry date(s) applicable to all stock options will be accelerated to the effective date of the change of control. Under the stock option plan, a "change of control" means:

- (a) a successful "take-over bid" as defined in Multilateral Instrument 62-104 or any replacement or successor provisions ("MI 62-104"), which is not exempt from the take-over bid requirements of MI 62-104, pursuant to which the "offeror" as a result of such take-over bid, beneficially owns, directly or indirectly, in excess of 50% of our outstanding common shares;
- (b) the issuance to or acquisition by any person, or group of persons acting in concert, of directly, or indirectly, including through an arrangement, merger or other form of reorganization of us, of our

common shares which in the aggregate total 50% or more of the then issued and outstanding common shares;

- (c) the winding up or termination of us or the sale, lease or transfer of all or substantially all of our directly or indirectly held assets to any other person or persons (other than pursuant to an internal reorganization or in circumstances where our business is continued, provided that notwithstanding the application of any of the foregoing, a "change of control" shall be deemed to not have occurred;
- (d) pursuant to an arrangement, merger or other form of reorganization of us where the holders of our outstanding voting securities or interests immediately prior to the completion of the reorganization will hold more than 50% of the outstanding voting securities or interests of the continuing entity upon completion of the reorganization; or
- (e) if a majority of our board determines that in substance an arrangement, merger or reorganization has not occurred or the circumstances are such that a change of control should be deemed to not have occurred and any such determination shall be binding and conclusive for all purposes of the stock option plan.

Anti-Dilution

The stock option plan contains anti-dilution provisions which allow our board to make such adjustments to the plan, to any stock option as our board of directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to employees thereunder.

Early Termination

Our stock option plan currently provides that, unless otherwise determined by our board or unless otherwise provided in an option agreement pertaining to a particular award or any written employment or consulting agreement, the following provisions shall apply in the event that a holder ceases to be a director, officer, employee or other service provider:

- (a) Involuntary Termination for Cause – Upon the termination of a holder for cause, all stock options held by such person on the cessation date (whether vested or not) shall immediately terminate and become null and void and all rights to receive common shares thereunder shall be forfeited effective on the cessation date.
- (b) Termination Upon Retirement or Death – Upon the retirement or death of a holder, the holder or the holder's personal representative, as applicable, may, within six months from the cessation date and prior to the expiry date, exercise stock options which are vested within such period, after which time any remaining stock options held by such person (whether vested or not) shall terminate and become null and void and all rights to receive common shares thereunder shall be forfeited. Retirement is defined as either the voluntary termination at or after the age of 55 with the approval of our President and CEO or the voluntary termination of employment at or after the age of 65.
- (c) Other Termination – If a holder ceases to be a director, officer, employee or other service provider for any reason whatsoever, other than the termination for cause, or the death or retirement of

such holder: (i) all stock options held by the holder which have vested as of the cessation date shall be forfeited effective on the earlier of: (a) the expiry date; and (b) the date that is 30 days from the cessation date; and (ii) all stock options held by the holder which have not vested as of the cessation date shall immediately terminate and become null and void and all rights to receive common shares thereunder shall be forfeited.

No Assignment

Except in the case of death, the right to receive common shares pursuant to a stock option may only be exercised by a holder personally. Except as otherwise provided in the stock option plan, no assignment, sale, transfer, pledge or charge of a stock option, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such stock option whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such stock option shall terminate and be of no further force or effect.

Amendments

Our stock option plan and any stock options granted pursuant thereto may, subject to any required approval of the Toronto Stock Exchange, be amended, modified or terminated without the approval of our shareholders. Notwithstanding the foregoing, the stock option plan or any stock options may not be amended without shareholder approval to:

- (a) make any amendment to the stock option plan to increase the number of common shares issuable on exercise of outstanding stock options above the plan limit;
- (b) extend the expiry date of any outstanding stock options;
- (c) make any reduction in the exercise price of a stock option or permit a reduction in the exercise price of a stock option by the cancellation and immediate re-issue of stock options or other entitlements;
- (d) change participants eligible to receive stock options under the plan to permit the introduction or re-introduction of non-employee directors on a discretionary basis;
- (e) make any amendment to the stock option plan that would permit a holder to transfer or assign stock options to a new beneficial holder other than in the case of death of the holder;
- (f) any amendment to increase the number of common shares that may be issued to a single holder above the restriction contained in the stock option plan;
- (g) any amendment to the limit on non-employee directors;
- (h) any amendment to increase the number of common shares that may be issued to an insider above the plan limits; or
- (i) an amendment to amend the amending provision of the stock option plan.

In addition, no amendment to the stock option plan or stock options granted pursuant to the stock option plan may be made without the consent of the holder, if it adversely alters or impairs any stock option previously granted to such holder under the stock option plan.

2018 Grants and Total Outstanding

At December 31, 2018, we had 6,859,491 stock options outstanding. In 2018 we granted a total of 2,368,461 stock options to employees, including officers. All of these stock options vest over a three year period, with a vesting of one third on each anniversary date.

Share Award Incentive Plan

A copy of our share award incentive plan has been filed on our profile on the SEDAR website at www.sedar.com on May 14, 2018, under the category "Other Securityholders Documents".

Purpose

Our long term incentive plans are designed to align the interests of our employees with shareholders by linking a component of compensation to the long term performance of our common shares. Our share award incentive plan allows grantees the opportunity to retain some or all of the underlying shares. Share awards also allow us to conserve cash for the operation of our business.

Administration

Our share award incentive plan is administered by our board, provided that our board has the authority to appoint a committee of the board to administer the plan. In the event that the board appoints a committee of the board to administer the plan, all references in the plan to our board will be deemed to be references to such other committee.

Our board has the full power and sole responsibility to interpret the provisions of the plan, to administer the plan and to exercise all the powers and authorities either specifically granted to it under the plan or necessary or advisable in the administration of the plan.

Participants

Share awards may be granted under the share award incentive plan to our officers, employees, consultants and other service providers and any of our controlled entities such as a subsidiary, partnership or trust.

Type of Awards

Under the terms of the share award incentive plan we may grant time-based awards or performance-based awards. In determining the persons to whom share awards may be granted, the number of common shares to be covered by each share award and the allocation of the share award between time-based awards and performance-based awards, our board of directors may take into account such factors as it shall determine in its sole discretion.

Each time-based award will entitle the holder to be issued the number of common shares designated in the share award. Each performance-based award will entitle the holder to be issued the number of common shares designated in the performance-based award multiplied by a payout multiplier.

The payout multiplier for performance-based awards is determined by our board based on an assessment of the achievement of predefined corporate performance measures in respect of the applicable period. These corporate performance measures may include: health, safety and environmental performance, production growth, recycle ratio, our debt to cash flow ratio, the execution of our strategic plan; relative total shareholder return and such additional measures as our board of directors considers appropriate in the circumstances. The payout multiplier for a particular period will be determined by our board based on the PSA scorecard shown earlier in this information circular. In addition, if relative total shareholder return is negative, we intend to cap the payout multiplier at 1.0x.

Where the settlement date of a performance-based award is not the first anniversary of the grant date, the payout multiplier for those performance-based awards will be the arithmetic average of the payout multiplier for each of the preceding annual performance assessment periods. In any case where the payout multiplier has not been determined prior to the vesting date of a performance-based award, our President and Chief Executive Officer in the case of a grantee who is not a director or officer and our board in all other cases, taking into consideration the performance of the applicable grantee and our performance since the date of grant of the performance-based award(s), may determine in its sole discretion the payout multiplier to be applied to any performance-based awards held by the grantee of such award.

Plan Limits

The number of common shares reserved for issuance from time to time pursuant to outstanding share awards granted and outstanding under the plan is currently limited to 3,750,000 common shares.

If any share awards granted under the share award incentive plan expire, terminate or are cancelled for any reason without the common shares issued thereunder having been issued in full, any unissued common shares to which such share awards relate shall be awardable for the purposes of granting of further share awards under the plan. Non-management directors are not eligible to participate in the share award incentive plan.

Share awards may be granted under the share award incentive plan to our officers, employees, consultants and other service providers and any of our controlled entities such as a subsidiary, partnership or trust provided that the aggregate number of share awards granted to any single holder shall not exceed 1% of our issued and outstanding common shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares). In accordance with the rules of the Toronto Stock Exchange, the number of common shares issued to insiders within one year pursuant to the share award incentive plan, and issuable to insiders at any time, under the plan or when combined with all of our other security based compensation arrangements, shall not exceed 10% of our issued and outstanding shares (including common shares issuable upon exchange or conversion of any of our fully paid securities or those of our controlled entities that are exchangeable or convertible into common shares).

Vesting

Vesting arrangements are within the discretion of our board, and our Chief Executive Officer, in certain circumstances, although each time-based share award will typically vest on the second anniversary of the grant date and each performance-based award will typically vest on the third anniversary of the grant date. In the event of a change of control (as defined in the share award incentive plan), all outstanding share awards will fully vest on the date that the change of control is completed and the payout multiplier applicable to any performance-based awards will be determined by the board and in making such determination, the board shall assess performance relative to the pre-established corporate performance measures using an end date for the current performance assessment period as determined by the board.

The expiry date of share awards issued pursuant to the share award incentive plan will typically be the next business day following the applicable vesting date(s) unless otherwise determined by our board or our Chief Executive Officer, in certain circumstances, provided however that in the event of a blackout period imposed upon a grantee, the expiry date will be extended to the date which is ten business days from the date that the blackout period ends and any expiry date that falls on a non-business day will be extended to the next business day.

Settlement

Share awards will be settled through the issuance of common shares from treasury or acquired by us on the Toronto Stock Exchange, or a combination thereof, at our discretion. In addition, in certain circumstances, a holder may request that we settle a share award in cash in an amount equal to the aggregate current market value of the common shares to be issued. We may, but are not obligated to accept such election.

Early Termination

Unless otherwise determined by our board or our Chief Executive Officer, in certain circumstances or unless otherwise provided in a share award agreement pertaining to a particular grant or any written employment agreement, upon the termination of a grantee for cause, all share awards held by the grantee on the cessation date shall immediately terminate. If a grantee voluntarily ceases employment for any reason whatsoever, other than retirement, all outstanding share awards which have not vested shall terminate and all vested share awards will terminate on their expiry date. In the case of retirement or involuntary termination not for cause or death, a certain number of unvested share awards will vest in accordance with the provisions of the share award incentive plan and all share awards held by the grantee will expire on the earlier of their expiry date or 30 days following the cessation of employment. In the case of death of the grantee, a certain number of share awards will vest in accordance with the provisions of the plan and all share awards held by the grantee will expire on the earlier of their expiry date or six months following cessation of employment.

No Assignment

No assignment, sale, transfer, pledge or charge of a share award, whether voluntary, involuntary, by operation of law or otherwise (except by will or the laws of descent and distribution), vests any interest or right in a share award whatsoever in any assignee or transferee and, immediately upon any assignment, sale, transfer, pledge or charge or attempt to assign, sell, transfer, pledge or charge, such share award will terminate and be of no further force or effect.

Amendments

We have the right to amend the terms and conditions of the share award incentive plan and any share awards granted under the plan, without shareholder approval. However, the plan and any share award granted thereunder may not be amended without shareholder approval to: (a) increase the number of common shares issuable on exercise of share awards; (b) extend the expiry date of any outstanding share awards held by insiders; (c) permit a grantee to transfer or assign share awards to a new beneficial holder other than in the case of death; (d) any amendment to the limits on non-management directors contained in the plan; (e) any amendment to increase the number of common shares that may be issued to insiders above the restrictions contained in the plan or (f) amend the amendment provisions of the plan.

Anti-Dilution

The share award incentive plan contains anti-dilution provisions which allow our board to make such adjustments to the plan, to any restricted share awards as our board of directors may, in its sole discretion, consider appropriate in the circumstances to prevent dilution or enlargement of the rights granted to employees thereunder.

2018 Grants and Total Outstanding

In 2018, we granted a total of 275,921 restricted share awards all of which cliff vest two years from the date of grant. At December 31, 2018, there were 538,520 restricted share awards outstanding.

In 2018, we granted a total of 295,078 performance share awards all of which cliff vest three years from the date of grant. At December 31, 2018, there were 279,429 performance share awards outstanding.

Employee Stock Savings Plan

We have an employee stock savings plan whereby all employees, including executive officers, are encouraged to contribute up to a maximum of 6% of their salary to the employee stock savings plan. Employees can choose to direct this money into a registered or non-registered savings plan. For each dollar contributed by the employee to the employee stock savings plan, we contribute 1.5 dollars. The funds are used to purchase our common shares in the open market. Both the employee and the employer contributions are subject to a one-year restriction on removal from the plan. Since the plan is available to all employees, it has been successful in encouraging employees to become shareholders of us and promoting the principle of alignment with shareholder interests. The Compensation Committee considers this program to be competitive. There is no other form of retirement or savings program. All NEOs participated in the program in 2018. These amounts are included in the "All Other Compensation" on the Summary Compensation Table above.

Outstanding Option-Based Awards and Share-Based Awards

The following table sets forth for each NEO, all option-based awards and share-based awards outstanding at the end of the year ended December 31, 2018:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Total value of all unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	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 (\$)
Jonathan Wright	20,000	4.25	May 18, 2019	-	98,558	402,117	-
	30,000	4.25	May 18, 2020	-			
	30,000	4.25	May 17, 2021	-			
	62,067	4.46	May 20, 2022	-			
	62,066	4.46	May 20, 2023	-			
	62,067	4.46	May 19, 2024	-			
	41,667	6.24	Dec 23, 2019	-			
	41,667	6.24	Dec 23, 2020	-			
	41,666	6.24	Dec 22, 2021	-			
	46,667	6.87	Jun 5, 2020	-			
	46,667	6.87	Jun 5, 2021	-			
	46,666	6.87	Jun 4, 2022	-			
	25,000	7.03	Jun 19, 2019	-			
	37,144	7.43	Nov 19, 2020	-			
	37,144	7.43	Nov 19, 2021	-			
	37,144	7.43	Nov 18, 2022	-			
	27,333	8.10	Nov 21, 2019	-			
	27,334	8.10	Nov 20, 2020	-			
	37,144	8.53	May 9, 2021	-			
	37,144	8.53	May 9, 2022	-			
37,144	8.53	May 8, 2023	-				
33,808	9.43	Nov 22, 2021	-				
33,808	9.43	Nov 22, 2022	-				
33,807	9.43	Nov 21, 2023	-				
30,000	9.57	May 10, 2019	-				
30,000	9.57	May 9, 2020	-				
27,334	10.79	Nov 26, 2019	-				
Total	1,022,488			-			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Total value of all unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	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 (\$)
Ross	10,333	4.25	May 18, 2019	-	51,769	211,218	-
Andreachuk	18,333	4.25	May 18, 2020	-			
	18,334	4.25	May 17, 2021	-			
	33,600	4.46	May 20, 2022	-			
	33,600	4.46	May 20, 2023	-			
	33,600	4.46	May 19, 2024	-			
	23,833	6.24	Dec 23, 2019	-			
	23,833	6.24	Dec 23, 2020	-			
	23,834	6.24	Dec 22, 2021	-			
	26,333	6.87	Jun 5, 2020	-			
	26,333	6.87	Jun 5, 2021	-			
	26,334	6.87	Jun 4, 2022	-			
	4,000	7.03	Jun 19, 2019	-			
	21,130	7.43	Nov 19, 2020	-			
	21,130	7.43	Nov 19, 2021	-			
	21,130	7.43	Nov 18, 2022	-			
	16,667	8.10	Nov 21, 2019	-			
	16,667	8.10	Nov 20, 2020	-			
	21,130	8.53	May 9, 2021	-			
	21,130	8.53	May 9, 2022	-			
	21,130	8.53	May 8, 2023	-			
	16,014	9.43	Nov 22, 2021	-			
	16,014	9.43	Nov 22, 2022	-			
	16,015	9.43	Nov 21, 2023	-			
	14,667	9.57	May 10, 2019	-			
	14,667	9.57	May 9, 2020	-			
	10,000	10.79	Nov 26, 2019	-			
Total	549,791			-			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Total value of all unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	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 (\$)
Michael Lawford	18,333	4.25	May 18, 2020	-	58,935	240,455	-
	18,334	4.25	May 17, 2021	-			
	40,334	4.46	May 20, 2022	-			
	40,333	4.46	May 20, 2023	-			
	40,333	4.46	May 19, 2024	-			
	24,667	6.24	Dec 23, 2019	-			
	24,667	6.24	Dec 23, 2020	-			
	24,666	6.24	Dec 22, 2021	-			
	27,667	6.87	Jun 5, 2020	-			
	27,667	6.87	Jun 5, 2021	-			
	27,666	6.87	Jun 4, 2022	-			
	12,000	7.03	Jun 19, 2019	-			
	22,242	7.43	Nov 19, 2020	-			
	22,242	7.43	Nov 19, 2021	-			
	22,242	7.43	Nov 18, 2022	-			
	16,667	8.10	Nov 21, 2019	-			
	16,667	8.10	Nov 20, 2020	-			
	22,242	8.53	May 9, 2021	-			
	22,242	8.53	May 9, 2022	-			
	22,242	8.53	May 8, 2023	-			
18,683	9.43	Nov 22, 2021	-				
18,683	9.43	Nov 22, 2022	-				
18,684	9.43	Nov 21, 2023	-				
14,667	9.57	May 10, 2019	-				
14,667	9.57	May 9, 2020	-				
13,334	10.79	Nov 26, 2019	-				
Total	592,171			-			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Total value of all unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	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 (\$)
Kevin Asman	14,667	4.25	May 18, 2020	-	46,021	187,766	-
	14,667	4.25	May 17, 2021	-			
	30,933	4.46	May 20, 2022	-			
	30,934	4.46	May 20, 2023	-			
	30,933	4.46	May 19, 2024	-			
	19,333	6.24	Dec 23, 2019	-			
	19,333	6.24	Dec 23, 2020	-			
	19,334	6.24	Dec 22, 2021	-			
	21,000	6.87	Jun 5, 2020	-			
	21,000	6.87	Jun 5, 2021	-			
	21,000	6.87	Jun 4, 2022	-			
	10,000	7.03	Jun 19, 2019	-			
	16,904	7.43	Nov 19, 2020	-			
	16,904	7.43	Nov 19, 2021	-			
	16,904	7.43	Nov 18, 2022	-			
	14,000	8.10	Nov 21, 2019	-			
	14,000	8.10	Nov 20, 2020	-			
	16,904	8.53	May 9, 2021	-			
	16,904	8.53	May 9, 2022	-			
	16,904	8.53	May 8, 2023	-			
	15,243	9.43	Nov 22, 2021	-			
	15,243	9.43	Nov 22, 2022	-			
	15,244	9.43	Nov 21, 2023	-			
12,500	9.57	May 10, 2019	-				
12,500	9.57	May 9, 2020	-				
11,668	10.79	Nov 26, 2019	-				
Total	464,956			-			

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Total value of all unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested ⁽²⁾ (#)	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 (\$)
Josh Truba	14,000	4.25	May 18, 2020	-	42,145	171,952	-
	14,000	4.25	May 17, 2021	-			
	28,266	4.46	May 20, 2022	-			
	28,277	4.46	May 20, 2023	-			
	28,267	4.46	May 19, 2024	-			
	19,000	6.24	Dec 23, 2019	-			
	19,000	6.24	Dec 23, 2020	-			
	19,000	6.24	Dec 22, 2021	-			
	20,333	6.87	Jun 5, 2020	-			
	20,333	6.87	Jun 5, 2021	-			
	20,334	6.87	Jun 4, 2022	-			
	8,667	7.03	Jun 19, 2019	-			
	16,237	7.43	Nov 19, 2020	-			
	16,237	7.43	Nov 19, 2021	-			
	16,236	7.43	Nov 18, 2022	-			
	13,333	8.10	Nov 21, 2019	-			
	13,334	8.10	Nov 20, 2020	-			
	16,237	8.53	May 9, 2021	-			
	16,237	8.53	May 9, 2022	-			
	16,236	8.53	May 8, 2023	-			
	13,345	9.43	Nov 22, 2021	-			
	13,345	9.43	Nov 22, 2022	-			
	13,346	9.43	Nov 21, 2023	-			
11,667	9.57	May 10, 2019	-				
11,668	9.57	May 9, 2020	-				
10,000	10.79	Nov 26, 2019	-				
Total	436,935			-			

Notes:

- (1) Calculated based on the difference between the market price of our common shares at December 31, 2018 (\$4.08) and the exercise price of the options.
- (2) Includes restricted share awards granted under our share award incentive plan and performance share awards. This calculation assumes a payout multiplier of 1x for the performance share awards granted in 2018. Calculated based on the value of our common shares at December 31, 2018 (\$4.08).

Incentive Plan Awards – Value Vested or Earned During the Year

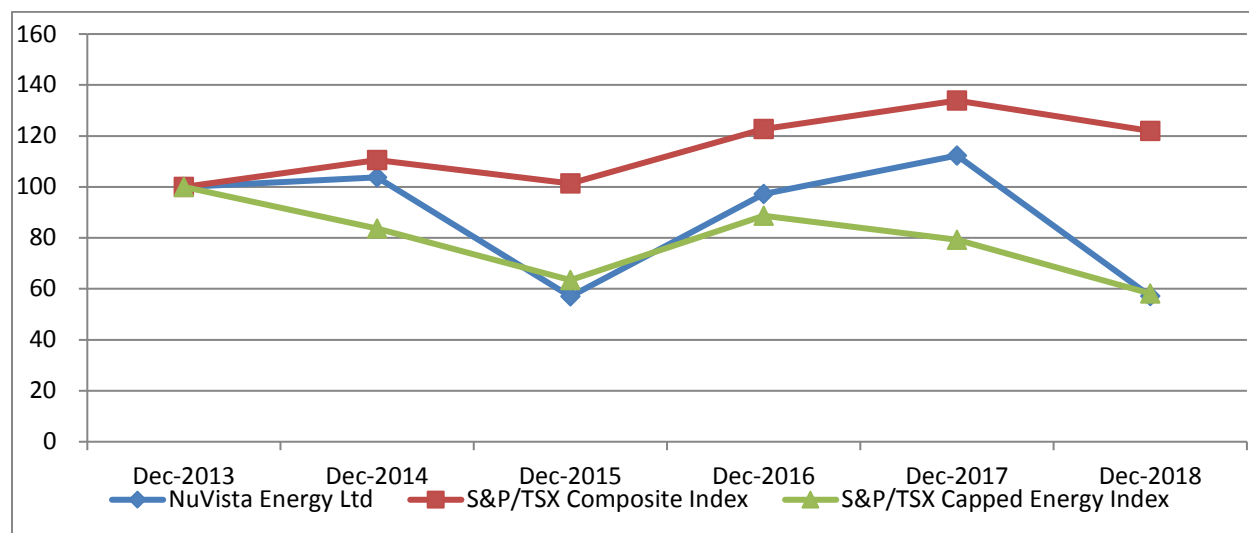
The following table sets forth for each NEO, the value of option-based awards and share-based awards which vested during the year ended December 31, 2018, and the value of non-equity incentive plan compensation earned during the year ended December 31, 2018:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year ⁽²⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Jonathan Wright	277,805	253,048	450,000
Ross Andreachuk	160,772	144,325	210,000
Michael Lawford	166,073	149,433	256,000
Kevin Asman	130,599	116,386	215,000
Josh Truba	126,604	113,832	185,000

Notes:

- (1) Calculated based on the difference between the market price of our common shares on the vesting date and the exercise price of the options on the vesting date.
- (2) Calculated based on the five day volume weighted average share price for the five trading days prior to the vesting date.

Performance Graph



	2013/12	2014/12	2015/12	2016/12	2017/12	2018/12
NuVista Share price	100	104	57	97	112	57
S&P/TSX Composite Index	100	111	101	123	134	122
S&P/TSX Capped Energy Index	100	84	63	89	79	58

Notes:

- (1) The S&P/TSX was previously called the TSE 300 Index.
- (2) The S&P/TSX Capped Energy Index.

Our cumulative shareholder return performance reflects both operational and financial performance within our control as well as volatile commodity prices and economic and market conditions beyond our control with the impact of the decline in the global economy and more recently with the weakness of North American natural gas prices and world oil prices.

Salaries and variable pay for our executive officers are based on peer company salary levels and the board's assessment of annual corporate and individual performance based on financial and operating performance metrics and other pertinent considerations. The variable pay amounts awarded do not necessarily track the annual change in the market value of our common shares.

Our long term incentive plans are designed to align the interests of employees, including NEOs, with shareholders by linking a component of compensation to our common share performance. The percentage of stock options received relative to restricted share awards and performance share awards increases with greater levels of responsibility. The mix of stock options, restricted share awards and performance share awards in our NEOs compensation is more heavily weighted towards stock options at 50% from stock options, 20% from restricted share awards and 30% from performance share awards.

Securities Authorized for Issuance Under Equity Compensation Plans

The following sets forth information in respect of securities authorized for issuance under our equity compensation plans as at December 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options and awards (a)	Weighted average exercise price of outstanding options and awards (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders:			
Stock Option Plan ⁽¹⁾	6,859,491	\$6.78	1,539,743
Share Award Incentive Plan ⁽²⁾	817,949	n/a	1,864,850
Deferred Share Unit Plan ⁽³⁾	134,311	n/a	365,689
Equity compensation plans not approved by securityholders	-	-	-
Total	7,811,751		3,770,282

Notes:

- (1) As at December 31, 2018, and March 22, 2019, respectively, an aggregate of 6,859,491 and 6,864,183 stock options were outstanding under our stock option plan. The maximum number of common shares available under our stock option plan is currently limited to 9,500,000 common shares. In addition, if any option granted under the option plan expires, terminates or is cancelled without the underlying common shares having been issued, such common shares will be available for further option grants under the plan.
- (2) As at December 31, 2018, and March 22, 2019, an aggregate of 817,949 restricted share awards and 800,915 performance share awards were outstanding under our share award incentive plan. The number of common shares issuable pursuant to the share award incentive plan assumes a payout multiplier of 1x for the performance-based awards. Under our share award incentive plan, the number of common shares reserved for issuance from time to time pursuant to outstanding share awards granted and outstanding under the plan shall not exceed 3,750,000 common shares. In addition, if any share award granted under the share award incentive plan expires, terminates or is cancelled without the underlying common shares having been issued, such common shares will be available for further grants under the plan. Share awards will be settled through the issuance of common shares from treasury or acquired by us on the Toronto Stock Exchange, or a combination thereof, at our discretion.
- (3) At December 31, 2018, and March 22, 2019, there were 338,427 deferred share units outstanding, 134,311 of which can, at our election, be settled in common shares. The number of common shares reserved for issuance from time to time pursuant to outstanding deferred share units granted and outstanding under our directors' deferred share unit plan is limited to 500,000 common shares. If any deferred share units granted under the plan expire, terminate or are cancelled for any reason without the common shares issued thereunder having been issued in full, any unissued common shares to which such deferred share units relate shall be awardable for the purposes of granting of further deferred share units. All deferred share units and dividend entitlements thereon (if any) will be redeemed for a cash payment except that, at our election, we may redeem deferred share units and dividend entitlements thereon (if any) issued as compensation for annual board and committee retainers and meeting attendance fees, in cash or through the issuance of common shares from treasury or purchased on the market and any combination of these.

The following table summarizes the number of incentive awards granted to all of our directors, officers and employees during the periods noted below and the potential dilutive effect of such incentive awards:

Period	Stock Options Granted	Share Awards Granted		Weighted Average Common Shares Outstanding ⁽¹⁾	Burn Rate ⁽³⁾
		RSAs	PSAs		1x
2016	2,043,450	355,500	-	157,977,233	1.5
2017	1,773,080	322,750	-	173,220,974	1.2
2018	2,368,461	275,921	295,078	190,568,473	1.5

Notes:

- (1) Pursuant to the requirements of the Toronto Stock Exchange, the weighted average number of common shares outstanding during the period is the number of common shares outstanding at the beginning of the period, adjusted by the number of common shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the common shares are outstanding as a proportion of the total number of days in the period.
- (2) The burn rate for a given period is calculated by dividing the number of options and share awards granted during such period by the weighted average number of common shares outstanding during such period and is presented based on the 1x multiplier for 2018.
- (3) Does not include 25,139 deferred share units granted in 2016, 47,624 deferred share units granted in 2017 and 61,548 deferred share units granted in 2018, in lieu of cash director fees, which can, at our election, be settled in common shares.

Pension Plan Benefits

We do not have any pension plans for our employees. We have established a savings plan to assist employees in meeting their savings goals. See *Executive Compensation – Long-Term Incentive Plans – Employee Stock Savings Plan*.

Employment Agreements

We have entered into employment agreements with each of our NEOs pursuant to which we have agreed to make certain payments to the executive in the event of termination without cause, a "change of control" without termination and a "change of control" with termination. The following is a description of payments or the nature of the vesting of long term incentives due to the NEO's departure upon resignation, termination without cause, normal retirement, and change of control without termination and a change of control with termination. For the purpose of the employment agreements, termination includes constructive dismissal.

Resignation

- Retiring allowance – none.
- Stock options – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all stock options vested or vesting within such period.
- Restricted share awards – all unvested restricted share awards are forfeited as of the date of ceasing to be an employee.

Termination Without Cause

- Retiring allowance to be paid within five business days of termination consisting of:
 - One and one-half times the NEO's current base salary;
 - 20% of such amounts in-lieu of employment benefits; and
 - One times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the variable pay amount paid to the NEO in the two years prior to termination. Mr. Wright's and Mr. Lawford's employment agreements provide for payment one and one-half times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the cash variable pay amount paid to the NEO in the two years prior to termination.
- Stock options – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all stock options vesting within one and one-half years of the date of ceasing to be an employee.
- Restricted share awards – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all restricted share awards that have vested on the date of ceasing to be an employee plus a proportionate number of restricted share awards that had not yet vested.

Normal Retirement

- Retiring allowance – none.
- Stock options – within six months of ceasing to be an employee, the NEO can exercise all stock options vested or vesting within six months of the date of ceasing to be an employee.
- Restricted share awards – prior to the applicable expiry date or within 30 days of ceasing to be an employee, whichever is earlier, the NEO can exercise all restricted share awards that have vested on the date of ceasing to be an employee plus a proportionate number of restricted share awards that had not yet vested.
- At the discretion of the CEO, stock options granted under our 2010 and 2013 stock option plans that would have vested had the eligible retiring employee continued employment for two years after the retirement date, will vest on the retirement date, and with respect to options under the 2013 plan the retiring employee will have 6 months after the retirement date to exercise the vested options and with respect to options under the 2010 plan the retiring employee will have 30 days after the retirement date to exercise the vested options.

Change of Control Without Termination

- Retiring allowance – none.
- Stock options – all stock options outstanding vest prior to the change of control in accordance with the stock option agreement.

- Restricted share awards – all outstanding restricted share awards vest on the change of control and the underlying common shares are issued.

Change of Control With Termination

- Retiring allowance to be paid within five business days of termination consisting of:
 - One and one-half times the NEO's current base salary;
 - 20% of such amounts of employment benefits; and
 - One times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the cash variable pay amounts paid to the NEO in the two years prior to termination. Mr. Wright's and Mr. Lawford's employment agreements provide for payment of one and one-half times the greater of any cash variable pay amount paid to the NEO in the year prior to termination or an average of the cash variable pay amounts paid to the NEO in the two years prior to termination.
- Stock options – all stock options outstanding vest prior to the change of control in accordance with the stock option agreement.
- Share awards – all outstanding share awards vest on the change of control and the underlying common shares are issued. The payout multiplier applicable to any performance-based awards will be determined by our board and in making such determination, the board will assess performance relative to the pre-established corporate performance measures using an end date for the current performance assessment period as determined by the board.

Other key terms of the employment agreements:

- We are entitled to terminate a NEO's employment for just cause at any time without notice and without any payment to the NEO whatsoever, save and except only for payment of the pro-rata salary earned for services rendered up to and including the termination date, plus any outstanding vacation pay and expenses.
- The NEO may resign by providing us with two months advance written notice of the resignation date.
- Should there be a change of control and an event that constitutes constructive dismissal within six months of the change of control, the NEO has the right, for a period of ninety days following the event or events that constituted the change of control, to elect to terminate his employment upon providing us with one week advance written notice.

- In the event of a change of control and the NEO elects to terminate his employment, the NEO will be required, at our option, to continue his employment with us for a period of up to two months at the NEO's then existing compensation package, to assist us in an orderly transition of management.

The following table summarizes the estimated payments and benefits to each of our NEOs as if the employment events listed above had occurred on December 31, 2018:

Name	Resignation (\$)	Termination (without cause) (\$)	Normal Retirement (\$)	Change of Control without Termination (\$)	Change of Control with Termination (\$)
Jonathan Wright	-	1,789,626	128,389	407,829	1,789,626
Ross Andreachuk	-	956,281	69,670	214,482	956,281
Michael Lawford	-	1,039,424	75,349	243,707	1,039,424
Kevin Asman	-	897,282	58,703	190,622	897,282
Josh Truba	-	813,860	55,068	174,738	813,860

Note:

- (1) This calculation assumes a payout multiplier of 1x for all performance share awards.

EQUITY OWNERSHIP

The following table summarizes the common shares and other securities beneficially owned, controlled or directed (directly or indirectly) by each of our named executive officers and all of our directors as of March 22, 2019, based on information provided by such individuals.

	Common Shares ⁽¹⁾		Stock Options ⁽²⁾		Share-based awards ⁽³⁾		Total Value (\$)
	Amount (#)	Value (\$)	Amount (#)	Value (\$)	Amount (#)	Value (\$)	
Jonathan Wright	406,600	1,902,888	1,022,488	75,364	98,588	461,392	2,439,644
Ross Andreachuk	58,193	272,343	549,791	42,386	51,769	242,279	557,008
Michael Lawford	124,848	584,289	592,171	42,387	58,935	275,816	902,492
Kevin Asman	93,746	438,731	464,956	33,030	46,021	215,378	687,139
Josh Truba	53,637	252,022	436,935	30,698	42,145	197,239	479,959
Total Named Executive Officers	743,024	3,450,273	3,066,341	223,865	297,458	1,392,104	5,066,242
Keith A. MacPhail	2,482,042	11,615,957	5,000	-	72,795	340,681	11,956,638
Ronald J. Eckhardt	158,311	740,895	5,000	-	49,947	233,752	974,647
Pentti O. Karkkainen	76,000	355,680	5,000	-	61,133	286,102	641,782
Ronald J. Poelzer	4,001,277	18,725,976	5,000	-	27,307	127,797	18,853,773
Brian G. Shaw	99,301	464,729	10,000	-	40,058	187,471	652,200
Sheldon B. Steeves	25,631	119,953	5,000	-	24,439	114,375	234,328
Deborah S. Stein	30,810	144,191	-	-	24,439	114,375	258,566
Grant A. Zawalsky	211,915	991,762	5,000	-	38,309	179,286	1,171,048
Total Non-Management Directors	7,085,287	33,159,143	40,000	-	338,427	1,583,839	34,742,982
Total Directors and NEOs	7,828,311	36,609,416	3,106,341	223,865	635,885	2,975,943	39,809,224

Notes:

- (1) The value of the common shares was based on the closing price of our common shares on the Toronto Stock Exchange on March 22, 2019 (\$4.68).
- (2) The value of the stock options was calculated based on the difference between the closing price of our common shares on the Toronto Stock Exchange on March 22, 2019 and the exercise price of the stock options.
- (3) Includes restricted share awards and performance share and deferred share awards, as applicable, which have been valued based on the closing price of our common shares on the Toronto Stock Exchange on

March 22, 2019. This calculation assumes a payout multiplier of 1x for the performance share awards granted.

OWNERSHIP GUIDELINES

Our board believes it is important that our directors and our senior officers demonstrate their commitment to our stewardship through common share ownership.

We have established an equity ownership policy that non-management directors must have an equity ownership interest in our common shares within six months of joining our board of at least three times their annual board retainer. Following the phase-in period, directors are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.

In 2016, following a review of our executive compensation governance practises; we amended our equity ownership policy to include our Chief Executive Officer, Chief Financial Officer and all of our Vice Presidents, although our Chief Executive Officer has always had ownership requirements under his employment contract.

The policy requires our CEO to maintain an equity ownership interest in our common shares equal to at least three times his annual base salary within five years from the later of the commencement of employment or December 31, 2015. Our other officers are required to maintain an equity ownership interest in our common shares equal to at least two times their annual base salary within five years from the later of the commencement of employment or December 31, 2015. Officers are expected to work towards this goal and will be required to meet one-fifth of this requirement cumulatively for each year of the phase-in period. Following the phase-in period, these officers are expected to be in continuous compliance with these guidelines. In the event that an individual who has achieved the target ownership level subsequently falls below such target ownership level due solely to a decline in the market price of our common shares, such individual will be considered to be in compliance with the ownership guidelines as long as the adjusted cost base of his or her common shares exceeds the target ownership level.

The following table sets out the total ownership level of our named executive officers and each of our non-management directors as at March 22, 2019, relative to our equity ownership policy:

Name	Amount of Annual Salary/Retainer (\$)	Ownership Value Guideline (\$)	Ownership Value (\$)⁽¹⁾	Guideline Met (Y) or Not Met (N)⁽²⁾⁽³⁾
Named Executive Officers:				
Jonathan Wright	455,000	1,365,000	1,902,888	Y
Ross Andreachuk	270,100	540,200	272,343	N
Michael Lawford	287,500	575,000	584,289	Y
Kevin Asman	242,500	485,000	438,731	Y
Josh Truba	227,200	454,400	251,021	N
Directors:				
Keith A. MacPhail	55,000	165,000	11,615,957	Y
Ronald J. Eckhardt	55,000	165,000	740,895	Y
Pentti O. Karkkainen	55,000	165,000	355,680	Y
Ronald J. Poelzer	55,000	165,000	18,725,976	Y
Brian G. Shaw	55,000	165,000	464,729	Y
Sheldon B. Steeves	55,000	165,000	119,953	Y
Deborah S. Stein	55,000	165,000	144,191	Y
Grant A. Zawalsky	55,000	165,000	991,762	Y

Notes:

- (1) Based on the closing price of the common shares on the Toronto Stock Exchange on March 22, 2019 (being \$4.68).
- (2) For the purposes of compliance with the policy, the value of holdings is based on the higher of average cost base or the current market price. As a result, the value presented may be less than the required multiple although the guideline has been met.
- (3) Officers that do not meet the ownership guideline have until December 31, 2020, to meet the ownership guideline.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

We have directors' and officers' liability insurance with an annual aggregate limit of \$80 million. The premium expensed in the fiscal year ended December 31, 2018, for the liability insurance was \$150,000. The program carries a deductible of \$200,000 which would be our responsibility.

In addition, we have entered into indemnity agreements with each of our directors and officers pursuant to which we have agreed to indemnify such directors and officers from liability arising in connection with the performance of their duties. Such indemnity agreements conform to the provisions of the Business Corporations Act (Alberta).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the most recently completed fiscal period was there any indebtedness of any executive officer, director, employee or any former executive officer, director or employee, or any associate of any of the foregoing to us or to any other entity which is, or at any time since the beginning of the most recently completed financial period, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein or as set forth below, there were no material interests, direct or indirect, of our insiders, proposed nominees for election as directors, or any associate or affiliate of such insiders or nominees since January 1, 2018, or in any proposed transaction, which has affected or would materially affect us or any of our subsidiaries.

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

Our management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer or anyone who has held office as such since the beginning of our last financial year, any proposed nominee for election as a director, or of any associate or affiliate of any of the foregoing in any matter to be acted on at the meeting, save as is disclosed herein.

ADDITIONAL INFORMATION

Upon request, we will provide securityholders with a copy of our 2018 annual financial statements and associated management's discussion and analysis of financial condition and results of operations, as well as a copy of our annual information form, subsequent interim financial statements and management's discussion and analysis and this information circular - proxy statement.

Copies of these documents may be obtained on request without charge from our Vice President, Finance and Chief Financial Officer at 2500, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1; telephone (403) 538-8500 or by accessing the disclosure documents available through the internet on SEDAR website at www.sedar.com.

OTHER MATTERS

Our 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 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 voting the proxy.

The contents and the sending of this information circular - proxy statement have been approved by our directors.

Dated: March 22, 2019

SCHEDULE A

BOARD OF DIRECTORS MANDATE

The Board of Directors (the "**Board**") of NuVista Energy Ltd. ("**NuVista**") is responsible for the stewardship of NuVista, its subsidiaries, partnerships and other controlled entities. In discharging its responsibility, the Board will exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and will act honestly and in good faith with a view to the best interests of NuVista. In general terms, the Board will:

- In consultation with the CEO, define the principal objectives of NuVista.
- Supervise the management of the business and affairs of NuVista with the goal of achieving NuVista's principal objectives as defined by the Board.
- Discharge the duties imposed on the Board by applicable laws.
- For the purpose of carrying out the foregoing responsibilities, take all such actions as the Board deems necessary or appropriate.

Without limiting the generality of the foregoing, the Board will perform the following duties:

Strategic Direction and Capital and Financial Plans

- Require the CEO to present annually to the Board a longer range strategic plan and a shorter range business plan for NuVista's business, which plans must:
 - be designed to achieve NuVista's principal objectives;
 - identify the principal strategic and operational opportunities and risks of NuVista's business; and
 - be approved by the Board as a pre-condition to the implementation of such plans.
- Review progress towards the achievement of the goals established in the strategic, operating and capital plans.
- Identify the principal risks of NuVista's business and take all reasonable steps to ensure the implementation of the appropriate systems to manage these risks.
- Approve the annual operating and capital plans.
- Approve acquisitions and dispositions which require approval pursuant to expenditure limits established by the Board.
- Approve the establishment of credit facilities.
- Approve issuances of common shares or other instruments to the public.

Monitoring and Acting

- Monitor NuVista's progress towards achieving its goals, and revise and alter its direction through management in light of changing circumstances.
- Monitor overall human resources policies and procedures, including compensation and succession planning.
- Approve the dividend policy of NuVista.
- Appoint the CEO and determine the terms of the CEO's employment with NuVista.
- Ensure systems are in place for the implementation and integrity of NuVista's internal control and management information systems.
- In consultation with the CEO, develop a position description for the CEO.
- Evaluate the performance of the CEO at least annually.
- In consultation with the CEO, establish the limits of management's authority and responsibility in conducting NuVista's business.
- In consultation with the CEO, appoint all officers of NuVista and approve the terms of each officer's employment with NuVista.
- Develop a system under which succession to senior management positions will occur in a timely manner.
- Approve any proposed significant change in the management organization structure of NuVista.
- Approve all NuVista-sponsored retirement plans for officers and employees of NuVista.
- In consultation with the CEO, establish a disclosure policy for NuVista.
- Generally provide advice and guidance to management.
- Approve all matters relating to a takeover bid for the securities of NuVista.

Finances and Controls

- Review NuVista's systems to manage the risks of NuVista's business and, with the assistance of management, NuVista's auditors and others (as required), evaluate the appropriateness of such systems.
- Monitor the appropriateness of NuVista's capital structure.
- Ensure that the financial performance of NuVista is properly reported to shareholders, other security holders and regulators on a timely and regular basis.

- In consultation with the CEO, establish the ethical standards to be observed by all officers and employees of NuVista and use reasonable efforts to ensure that a process is in place to monitor compliance with those standards.
- Require that the CEO institute and monitor processes and systems designed to ensure compliance with applicable laws by NuVista and its officers and employees.
- Require that the CEO institute, and maintain the integrity of, internal control and information systems, including maintenance of all required records and documentation.
- Approve material contracts to be entered into by NuVista.
- Recommend to shareholders of NuVista a firm of chartered accountants to be appointed as NuVista's auditors.
- Ensure NuVista's oil and gas reserves report fairly represents the quantity and value of corporate reserves in accordance with generally accepted engineering principles and applicable securities laws.
- Take reasonable actions to gain reasonable assurance that all financial information made public by NuVista (including NuVista's annual and quarterly financial statements) is accurate and complete and represents fairly NuVista's financial position and performance.

Governance

- In consultation with the Chair of the Board, develop a position description for the Chair.
- Select nominees for election to the Board.
- Facilitate the continuity, effectiveness and independence of the Board by, amongst other things:
 - appointing a Chair of the Board;
 - appointing from amongst the directors an audit committee and such other committees of the Board as the Board deems appropriate;
 - defining the mandate of each committee of the Board;
 - ensuring that processes are in place and are utilized to assess the effectiveness of the Chair of the Board, the Board as a whole, each committee of the Board and each director; and
 - establishing a system to enable any director to engage an outside adviser at the expense of NuVista.
- Review annually the composition of the Board and its committees and assess directors' performance on an ongoing basis, and propose new members to the Board.
- Review annually the adequacy and form of the compensation of directors.

Delegation

- The Board may delegate its duties to, and receive reports and recommendations from, any committee of the Board.

Composition

- The Board should be composed of at least five individuals elected by the shareholders at the annual meeting.
- A majority of Board members should be independent directors (within the meaning of National Instrument 58-101) and free from any business or other relationship that could impair the exercise of independent judgment.
- Members should have or obtain sufficient knowledge of NuVista and the oil and gas business to assist in providing advice and counsel on relevant issues.
- Board members should offer their resignation from the Board to the Chair of the Governance and Nominating Committee following:
 - change in personal circumstances which would reasonably interfere with the ability to serve as a director; and
 - change in personal circumstances which would reasonably reflect poorly on NuVista (for example, finding by a Court of fraud, or conviction under Criminal Code or securities legislation).

Meetings

- The Board shall meet at least four times per year and/or as deemed appropriate by the Chair.
- The Board shall meet at the end of its regular quarterly meetings without members of management being present.
- Minutes of each meeting shall be prepared.
- The CEO and CFO shall be available to attend all meetings of the Board upon invitation by the Board.
- Vice-Presidents and such other staff as appropriate to provide information to the Board shall attend meetings at the invitation of the Board.

Authority

- The Board shall have the authority to review any corporate report or material and to investigate activity of NuVista and to request any employees to cooperate as requested by the Board.

- The Board may retain persons having special expertise and/or obtain independent professional advice to assist in fulfilling its responsibilities at the expense of NuVista.

Approved by the Board: March 5, 2019

TSX: NVA

NUVISTA ENERGY LTD.

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CALGARY, ALBERTA

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